



# ***Daily Report***

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## **China**

FBIS-CHI-95-132  
Tuesday  
11 July 1995

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# Daily Report

## China

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## General

### Foreign Ministry Holds Regular News Conference

#### Views U.S. Taiwan Recognition

OW1107093495 Beijing XINHUA in English  
0920 GMT 11 Jul 95

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — A Chinese Foreign Ministry Spokesman said here today that if anyone attempts to split Taiwan from China, the Chinese people will never allow it, nor will they sit idle and watch this happen.

Spokesman Shen Guofang made the remarks at a press conference here this afternoon when asked to comment on the advocacy by some people in the U.S. Congress on a full recognition of Taiwan.

Shen stressed that there is but one China in the world, and Taiwan is part of China. The Government of the People's Republic of China is the sole legal government of China.

"This is an objective fact recognized by the international community including the United States. Any attempt to change such a fact is doomed to failure," he said.

He stressed: "If anyone attempts to split Taiwan from China, the Chinese people will never allow it, nor will they sit idle and watch this happen."

The spokesman said: "We have said many times that the Taiwan question, if mishandled, would lead to a turbulent situation in the Taiwan Straits, which will cause serious consequences to Sino-U.S. relations and to peace and stability in the Asia-Pacific region and the world at large."

"We would like to caution the U.S. politicians to take a long strategic perspective in their handling of the Taiwan question and Sino-U.S. relations so as to facilitate a return of the bilateral relations to the right courses as defined by the three Joint Communiques," he added.

#### On U.S.-Vietnam Relations

BK1107092095 Hong Kong AFP in English  
0845 GMT 11 Jul 95

[FBIS Transcribed Text] Beijing, July 11 (AFP) — China said Tuesday it would welcome the normalisation of ties between the United States and Vietnam — expected to be announced later in the day by President Bill Clinton.

In the event of such an announcement, "we would like to extend our welcome," foreign ministry spokesman Chen Jian said.

"The Chinese government has always stood for the improvement of relations between the United States and Vietnam and we hope such an improvement of relations can benefit regional peace and stability," Chen added.

Although Sino-Vietnamese relations have improved significantly since the two countries fought a brief but bloody war in 1979, tensions remain over territorial disputes — especially sovereignty of the oil-rich Spratly Islands in the South China Sea.

#### No Comment on Aung San Suu Ky

BK1107043195 Hong Kong AFP in English  
0419 GMT 11 Jul 95

[FBIS Transcribed Text] Beijing, July 11 (AFP) — As most of the world hailed the release of Burmese opposition leader Aung San Suu Kyi, China declined to comment Tuesday on what it said was an internal affair of the Burmese Government.

"This is an internal affair of Burma," a Foreign Ministry spokesman said when asked for Beijing's reaction to the release of the 1991 Nobel peace prize winner after six years under house arrest.

China generally declines to comment on other countries' domestic affairs — especially when the issue is considered potentially embarrassing for the government.

Analysts here said Aung San Suu Kyi's release could heighten international pressure on Beijing to liberate Wei Jingsheng — himself a Nobel peace prize nominee — who now stands out as perhaps the world's most famous political detainee.

China was the first country to recognise Burma's military junta after it came to power in a bloody coup d'etat in Rangoon in 1988, and is currently the main supplier of military aid to its southern neighbour.

#### Zhu Rongji To Visit Africa

OW1107092495 Beijing XINHUA in English  
0848 GMT 11 Jul 95

[FBIS Transcribed Text] Beijing, July 11 (XINHUA) — Chinese Vice-Premier Zhu Rongji will pay an official goodwill visit to Tanzania, Zimbabwe, Mozambique, Botswana, Namibia, Angola and Zambia from July 19 to August 4 at the invitation of the governments of these seven countries.

This was announced by Foreign Ministry Spokesman Shen Guofang at a Press Conference here this afternoon.



### CPC Expands Contacts With Foreign Parties

OW1007120095 Beijing XINHUA Domestic Service  
in Chinese 0447 GMT 28 Jun 95

[FBIS Translated Text] Beijing, 28 Jun (XINHUA) — Since the 1990's, the CPC has entered into a very extensive and active period in the work of establishing contacts with political parties of foreign countries. It has created a new pattern characteristic of omnidirectional interparty contacts with foreign ruling parties, parties that assist in the administration of state affairs, and other major political parties.

In recent years, the number of foreign political parties with which the CPC has established contacts has noticeably increased. The scope and domain of the contacts have been further expanded, with the level being continuously promoted. The forms and channels of the exchanges have become more flexible and diversified.

So far, the CPC has established various forms of links with more than 300 ruling parties, parties that assist in the administration of state affairs, and other major political parties in over 120 foreign countries. It has carried out extensive exchanges and cooperation with them.

The foreign political parties that have established interparty ties with the CPC include political parties of different persuasions in neighboring countries and national and democratic parties in developing countries, as well as developed countries' social parties, social and democratic parties, labor parties, liberal parties, conservative parties, and other political parties advocating maintaining friendly ties with China.

The CPC has attached great importance to the development of interparty ties with foreign political parties. It has treated the work of maintaining contacts with foreign political parties as an important aspect of the state's overall diplomatic efforts. The interparty contacts, which do not directly deal with concrete interstate affairs, enable the exchange of, through various channels, opinions and experiences concerning international and domestic issues of common concern as well as the construction and role of a political party, so as to increase mutual understanding and promote the development of state-to-state relations as well as friendly ties among the peoples.

According to data released by the CPC Central Committee International Liaison Department, nearly 200 delegations of foreign political parties and organizations were invited to visit China last year, totaling 1,000 people. A total of 42 foreign political party delegations visited China in the first half of this year. The CPC also sent eight delegations to visit 12 foreign countries. General

Secretary Jiang Zemin, of the CPC Central Committee, and other Political Bureau standing members have already met with foreign political party delegations 19 times this year.

### To Readjust the Guiding Ideology and Principled Policy in a Timely Manner

Since the Third Plenary Session of the 11th CPC Central Committee in 1978, the state and party have shifted the focus in their work. The CPC decided to "work hard to create an international environment favorable to China's reform, opening up, and modernization drive." It decided to treat this effort as a goal for establishing exchanges with foreign political parties. Ideology and social system are no longer conditions and premises for the CPC to deal with foreign political parties. In addition, the CPC has followed the four principles of "independence, complete equality, mutual respect, and noninterference in each other's internal affairs." These four principles embody the spirit of the Five Principles of Peaceful Coexistence, on which China bases its state-to-state relations.

The global political situation has become even more complicated with the end of the Cold War. The structures of political parties have undergone profound changes and all forms of political forces have realigned themselves in many countries. In the face of this new situation, the CPC has continued to abide by the principle of not drawing distinctions according to ideological lines in its external exchanges. It has sought common ground while reserving differences; and sought consensus and cooperation on peace, development, and other major issues facing mankind. Practice has proven that the aforementioned CPC principle has been accepted by more and more political parties in the world after gaining their approval and support.

### Improving Mutual Understanding and Developing State Relations

To know China, the world must know the CPC. In view of the CPC's leading position in China's political, economic, and social life, the ruling and other political parties in all countries have become keenly aware that they must attach importance to strengthening friendly and cooperative relations with the CPC to develop relations with China. Many visitors here opined: The development of friendly and cooperative relations between ruling parties helps further promote friendship and understanding between peoples by way of interparty relations, and plays an important role in promoting deeper and overall development of international relations.

A party's external exchanges, diplomatic affairs between governments and also parliaments, economic and

trade cooperation, and nongovernmental exchanges are important aspects of a country's overall diplomatic affairs, and they complement and promote each other. A party's external exchanges are connected to the ruling party, parties that participate in government affairs, and other important political parties that do not participate in government affairs. Such exchanges are conducted with incumbent government officials as well as influential party figures who do not serve in government posts. Under the present situation in many countries where multiple parties take turns at governing, such exchanges will help China maintain friendly relations with other countries. State relations have been improved in cases where the incumbent presidents or prime ministers of some countries had visited here as party leaders before their elections to their present posts. The establishment of diplomatic relations with China by quite a number of African and Latin American countries has its beginnings in interparty contacts.

#### **Serving National Economic Construction**

In the process of gradually expanding interparty exchanges, the CPC has actively pushed forward economic and technological cooperation between countries, and exchanged experiences on the administration of parties and countries, and also on self-improvement, with political parties of various countries, besides putting political exchanges and friendly and cooperative relations on its agenda on exchanges.

The change of foci of the party's and nation's work also requires that the party's external relations and work must serve and be subordinated with the central task of national economic construction. Besides, many foreign political parties that have the support of their economic entities and groups have expressed the hope of developing economic and technological cooperation with China through party channels. Therefore, in interparty exchanges, much attention and great importance have been attached to building and developing economic contacts with other political parties or countries, and to pulling strings and building bridges to facilitate economic and trade cooperation, so that interparty exchanges could directly serve the four modernizations. Such efforts could also help deepen relations with foreign political parties. In the past few years, the party's external exchanges have helped relevant departments attract foreign capital, technology, and skilled personnel; and through them, we have reaped positive results in promoting Sino-foreign economic exchanges.

#### **Correction to Qian on International Situation HK0707065095**

The following correction pertains to the item headlined "Qian Qichen on International Situation, Policy" published in the 6 July China DAILY REPORT, pages 1-6:

Page two, column one, paragraph two, last sentence, make read: ...and has adopted an external tactic of participation and expansion by attaching greater importance to its own economic interests and by exercising greater caution in carrying out military intervention.

The European Union...(rewording)

Page two, column two, paragraph one, first sentence, make read: ...and its territory has been reduced by one-fourth. At... (rewording)

Page two, column two, paragraph two, sentence three, make read: ...growth, and will account for one-third of the world economy in the next... (rewording)

Page two, column two, paragraph five, sentence two, make read: ...era in which one or two superpowers sought... (inserting omitted words)

Page three, column one, paragraph two, first sentence, make read: ...toward regionalization and groupings. In the spring... (rewording)

#### **United States & Canada**

##### **Further on Arrest of Harry Wu**

##### **'Sordid Conduct' Viewed**

HK1107055795 Hong Kong TA KUNG PAO  
in Chinese 11 Jul 95 p A2

[Editorial: "Harry Wu Is Unforgivable for Trampling on Chinese Law"]

[FBIS Translated Text] Can a sovereign state tolerate a foreigner pushing his way around, right and left, committing all kinds of outrages, and despising and trampling on its laws?

It was quite natural for the public security organs to arrest the Chinese-American Harry Wu according to law for having violated China's laws.

XINHUA reported that on numerous occasions since June 1991, Harry Wu has sneaked into the regions and

units in China which are not open to foreigners in order to spy on, buy, and steal confidential documents, then take them abroad and give them to foreign organizations. His behavior, which has violated Chinese laws, constitutes a criminal offense. The judicial organs in Wuhan will release Harry Wu's specific criminal offenses immediately following his trial.

Our careful readers will remember that in the response to reporters in May and November of last year by the official in charge of China's judicial organs and by the Chinese Foreign Ministry spokesman, the story intentionally concocted by the BBC to viciously attack China was exposed. The videos on Xinjiang's No. 2 prison and the so-called transplant of organs from executed prisoners were shot by Harry Wu, who stealthily sneaked into China in collaboration with the British. The videos were made up intentionally by piecing together scenes not related to each other. At that time, the official in charge of the judicial organs said: Harry Wu more than once used an alias to sneak into China to engage in a dirty deal, piece together scenes that had nothing to do with each other, and create sensational "news" in order to attain his ulterior motives. Harry Wu's rumors and slander will be of no avail. The Foreign Ministry spokesman also warned him: Such videos, concocted of lies, which have revealed their dirty political motives and have fooled and deceived the international community and media, are despised by people of conscience.

Instead of exercising restraint over this dirty deal, Harry Wu later sneaked into China again in an attempt to continue his criminal offenses. Harry Wu, a "scum" who sold his soul, was regarded as a treasure by the United States, which carefully raised him, made full use of him, and even included in the China section of the State Department's "Human Rights Report" what they knew were lies concocted by Wu regarding China's so-called transplanting of organs from executed prisoners in order to attack China's "violation of human rights." Could Harry Wu not get dizzy with such success?

The passage by the Chinese State Council's News Office refuting U.S. State Department's "Human Rights Report" exposed the U.S. authorities' mean tricks, and also revealed the ugly features of Harry Wu. The following is extracted for our readers' perusal:

In order to attack China, some Western countries showed a documentary last October on China's so-called transplant of organs from executed prisoners. As a matter of fact, the documentary was intentionally concocted by Harry Wu, who went abroad, and by a Briton named Sue Roberts. These two persons went to the hospital attached to the Huaxi Medical University in Sichuan's Chengdu last April. They lied to the hospital, saying

that Sue Roberts' uncle needed a kidney transplant, begging the hospital to buy one for them, and saying that they did not mind if it was from a prisoner. The doctor told them clearly that the trading of organs was banned in China. Out of courtesy and at the request of these two persons, the hospital allowed them to visit the operation ward. At that time, the hospital was carrying out an artificial heart mitral valve operation for patient Chen Zuchuan. Roberts used a video recorder to tape the operation. This was the so-called on-the-spot scene of "transplanting a kidney from an executed prisoner," which was described in the documentary.

Look how far Harry Wu has gone in his sordid conduct! It would be strange for such a person not to violate the law and escape the net of justice!

The U.S. State Department spokesman expressed "regret" over the arrest of Harry Wu, saying that "every possible action" under the Sino-U.S. Consular Agreement will be taken to ensure that Harry Wu's "rights are ensured." After Harry Wu's arrest, the relevant Chinese department immediately notified the U.S. Embassy in China, and in accordance with the provisions of the Sino-U.S. Consular Agreement, made arrangements for Arturo Macias, the U.S. consul general in China, to visit Harry Wu in Wuhan. We do not know what "rights" the U.S. authorities want to "protect" for Wu. Wu is a foreigner, not a diplomat who can enjoy diplomatic prerogatives and exemptions. Even if he were a foreigner enjoying diplomatic privileges and exemptions, he must be held responsible and cannot be excused of crimes committed in the country concerned. The question is one of criminal responsibility being resolved through diplomatic channels. In accordance with the provisions of international law, diplomats are not allowed to engage in espionage and subversive activities, collect information and material banned by the respective country, or enter the forbidden zones of that country — let alone Harry Wu, who is not a diplomat! On numerous occasions, he sneaked into regions and units prohibited to foreigners by Chinese law in order to spy on and buy information and documents banned by Chinese laws. Should such behavior be "protected" and not punished? The United States has claimed to be a country exercising the rule of law. Can it ignore the laws of another country and let Americans push their way around, right and left, and do whatever they like there?

The case of Chinese-American Harry Wu's violating Chinese laws, which is being tried by China's judicial organs, has nothing to do with Sino-U.S. relations. No matter how Sino-U.S. relations are, China will try Harry Wu in light of the law and based on the facts. If there are persons among the U.S. authorities who want to lump the two together, this cannot but arouse people's doubt



about their motive in utilizing Harry Wu: At a critical moment in the tense Sino-U.S. relations, caused by the U.S. violation of the principles of the three Sino-U.S. joint communiques and allowing Li Teng-hui to visit the United States, are there some people in the United States who want to make use of Harry Wu to play their "human rights" card and exert pressure on China? Are they trying to make use of Harry Wu to create trouble and divert public attention?

#### Motivation for Arrest Viewed

HK1107043995 Hong Kong HONGKONG  
STANDARD in English 11 Jul 95 p 14

[Editorial: "Activist Wu Must Get a Proper Trial"]

[FBIS Transcribed Text] Once again Beijing is dragging out Cold War era terms to describe Harry Wu and his so-called mission to China. It threatens to derail the already strained Sino-United States ties.

The US has retaliated in kind and has obliquely said China's most-favoured-nation trading status could suffer.

However, Beijing appears to feel that it is now holding the trump card and that it has the US at its mercy.

Granted, Mr Wu did enter China through a remote border crossing and, according to reports, was using false travel papers. So there are questions about his overall intentions.

But the move also brings into question China's motives. After all, it has known about Mr Wu's background and his past crimes. Making an example of him at this time seems to suggest China is using him as a pawn.

There is no doubt Mr Wu has breached China's laws. By his own admission, in books he has written he has done a lot of dubious things in the past. He described using false names and fake business cards and even donning a state public security officer uniform to obtain entrance to labour camps. Like the US, China has strict laws banning impersonation of law enforcement officers.

In his 1992 book, *Laogai — The Chinese Gulag*, Mr Wu reprinted a classified internal document about "re-education-through-labour camps" in China which house many political prisoners.

Even before the curtain went up on this drama, the "noises off" were tremendous and intended to terrify. The latest contribution has come from Newt Gingrich, the "shoot-from-the-lip" Speaker of the US House of Representatives.

By supporting the restoration of formal diplomatic ties with Taiwan, Mr Gingrich is in effect challenging a

principle that has been the cornerstone of relations between the US and China for almost two decades.

It is tempting to suggest that Mr Gingrich's remarks have put China and the US on a collision course. But the two countries were already on a collision course and have been since Washington allowed Taiwan's President Li Teng-hui to visit Cornell University last month.

Was Mr Wu's arrest merely another angry response by China to Taiwan's diplomatic coup? There is more to it than that. It is almost certain that Beijing would have taken some kind of action against Mr Wu even if Mr Lee's US trip had never taken place.

After his last visit to the mainland Mr Wu accused Beijing of using the organs of executed criminals for transplants. China responded with a detailed rebuttal of virtually everything Mr Wu said about that trip. Beijing would not have gone to the trouble of researching this issue if it had not intended to take action against him.

However, if the political situation had not been so grim, China might have adopted a low profile approach by merely throwing Mr Wu out of the country.

Belatedly China has allowed a US representative to visit Mr Wu. It would not have been to China's credit if this visit had been barred because China must keep its international agreements, regardless of political issues. Apart from anything else, this would be in China's own interests by reducing its vulnerability.

If China is determined to punish Mr Wu, a proper and public trial, with Mr Wu given full access to legal representation, is called for. The end result would be to China's benefit and would enhance China's stature in the wider world outside.

#### Editorial Views U.S. Recognition of Taiwan

HK1107054395 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Jul 95 p 18

[Editorial: "Recognising the Truth"]

[FBIS Transcribed Text] It is easy for Republican legislators to be brave. Having forced the Administration to grant a visa for Taiwanese President Li Teng-hui to visit the United States and address Cornell University, the Republican House Speaker Newt Gingrich is now suggesting President Bill Clinton cope with the consequences of that visit by recognising Taiwan.

Many people round the world, not only Americans, would probably agree with the sentiment that the Taiwanese do deserve to be a free people (which they are) and an independent, internationally recognised nation

(which they have no chance of becoming). Indeed, if any country could lead the charge in recognising Taiwan, it would be the United States. It is the only country — other than the Taiwanese themselves — with the military power to make Beijing think twice about carrying out its threat to invade the island and complete reunification by force. In the Neverland of US opposition politics, recognition of Taiwan might just work.

But the Republicans are not in power. Mr Clinton has to take a more responsible view. He has to consider whether he is prepared to challenge China militarily, possibly risking war, or whether the grand gesture of recognition without military back-up (including the stationing of troops on the island, and beefing up the US presence in the rest of the region) would mean the sacrifice of Taiwan on the altar of US domestic politics. The Chinese would probably not challenge Western power in direct military conflict. But Mr Clinton could not rely on some romantic notion of native Taiwanese defeating China with US supplied weapons as the Afghans defeated the Soviet Union. He would also have to question whether the rearmament of Japan and the regional arms race that would almost certainly ensue from any serious Chinese military intervention were a price worth paying. If by "getting it over with" Mr Gingrich means bringing forward the day when China and the West face off in a new Cold War, then he should say so.

Even if nothing as nightmarish as this resulted, Mr Clinton would still have to consider the profound damage to US-China relations of recognising Taiwan, the devastating effect on the US (and Chinese) economies and the impossibility of exerting any further influence over China's behaviour.

He has learned the hard way that America's levers over China are few. Even those it does possess — trade sanctions, withdrawal of Most Favoured Nation status, downgrading of diplomatic contacts — are such double-edged swords as to be almost unusable. Nevertheless, they are still the weapons of choice both on the trade front and in countering Chinese abuses of human rights — including the arrest of an American citizen such as *Har* *wu Hongda*. Recognition of Taiwan would be a terrifying and wholly unjustified escalation.

#### **Beijing, U.S. Study 'Ozone Valley'**

OW0907134495 *Beijing XINHUA in English*  
1303 GMT 9 Jul 95

[FBIS Transcribed Text] Beijing, July 9 (XINHUA) — Chinese scientists are making detailed plans to cooperate with their counterparts in the U.S. to research the formation and climatic impact of the "ozone valley"

discovered over China's Qinghai-Tibet Plateau, sources from the Chinese Academy of Meteorological Sciences (CAMS) said here today.

CAMS, the Institute of Atmospheric Physics of the Chinese Academy of Sciences and Beijing University will cooperate with the National Aeronautics and Space Administration (NASA) and the National Oceanic and Atmospheric Administration (NOAA) of the U.S.

CAMS is also seeking cooperation with other countries and regions in this research.

Over the past few years Chinese scientists have found that a special thinning of the ozone takes place over the plateau, creating an "ozone valley" from June to early October every year.

The ozone volume in the "valley" is about 11 percent lower than that at the same latitude over the East China Sea, and the total ozone volume in the "valley" is also decreasing at the rate of 0.345 percent annually.

According to the Chinese meteorologists' research since the 1950s, the summer of the Qinghai-Tibet Plateau is mainly controlled by the South Asian High Pressure Ridge. The air above the plateau is heated by the sun and then flows upward continuously. The air surrounding the plateau then enters the plateau area to replace the loss.

Based on the above findings, Chinese scientists formulated the hypothesis that the upward airflow that carries pollutants, such as sulphurous particles and chlorofluorocarbons, to the higher level, where they remain in the ozone layer. Through chemical reactions they then destroy the ozone.

The Chinese and U.S. scientists will cooperate in researching the mechanism of the "ozone valley" formation, its trends and impact on the regional climate and eco-environmental changes.

### **Sub-Saharan Africa**

#### **South African Delegation Continues Visit**

##### **Meets Li Ruihuan**

OW1007102795 *Beijing XINHUA in English*  
0959 GMT 10 Jul 95

[FBIS Transcribed Text] Beijing, July 10 (XINHUA) — Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), said here today that he hopes China and South Africa enhance contacts and understanding so as to improve bilateral relations.

Li expressed his hope here this morning when meeting with Govan Archibald Mbeki, deputy president of the Senate of South Africa.

During the meeting, Li said that the Chinese Government and people have all along been supporting South African people's struggle against racial discrimination, and regard South African people's victory as a great historical event and an important victory for the people all over the world.

After the establishment of a new South Africa, said Li, bilateral economic and trade relations have witnessed rapid development and there have been more and more exchanges of personnel between the two sides.

He said he hopes that bilateral relations be pushed forward continuously on the current basis, which is the common aspiration and in the basic interest of the two peoples.

Li also reiterated the principled stand of the Chinese Government on the Taiwan issue, saying that it is a very dangerous act for some leaders of the Taiwan authorities to deliberately plan an independence for Taiwan with a wrong judgement of the situation.

It should be made clear that there is only one China in the world, that is the People's Republic of China, and Taiwan is an inalienable part of the Chinese territory, stated Li.

Anyone who wishes to create "two Chinas" or "one China, one Taiwan" means betrayal to the Chinese nation, bringing harm to the relations between the two sides of the Taiwan Straits, and inflicting damage to the stability and development of Taiwan, and this will meet firm opposition from the entire Chinese people including the Taiwan compatriots, stressed Li.

Expressing thanks to the Chinese Government and people for their consistent support for South African people's struggle against racial discrimination, the South African visitors said that South Africa and China should have more exchanges of visits, enhance economic and trade cooperation and develop overall relations.

President of the Chinese People's Institute of Foreign Affairs (CPIFA) Liu Shuqing was present at the meeting.

Govan Mbeki, aged 85, is an initiator of the Africa National Congress of South Africa (ANC) and the South African Communist Party and father of South African First Deputy President Thabo Mbeki.

This is Govan Mbeki's first visit to China and the South African visitors are here as guests of the CPIFA.

### Meets Li Lanqing

OW1007125295 Beijing XINHUA in English  
1232 GMT 10 Jul 95

[FBIS Transcribed Text] Beijing, July 10 (XINHUA) — Chinese Vice-Premier Li Lanqing met here today with Govan Archibald Mbeki, deputy president of the Senate of South Africa.

Li said that the Chinese Government expressed the hope to develop relations of cooperation with South Africa in various fields when South African people won the victory in their struggle against racism.

Recent years have witnessed rapid development of the bilateral trade and economic ties, indicating that the two countries are very complementary in the economic field, Li noted.

He expressed his hope that the Sino-South African ties could be normalized, which would be beneficial to the growth of economic and trade relations between the two countries.

He said that the Chinese people have always supported the South African people in their struggle against racism and this is a very good foundation for normalizing the bilateral ties.

Li expressed his belief that the current visit of Mbeki would promote the development of the bilateral ties and further the understanding and friendship between the peoples of the two countries.

Mbeki also expressed his hope that the bilateral ties would constantly develop.

Essop Pahad, political assistant of the first deputy president of South Africa who is accompanying Govan Archibald Mbeki on the visit, said that it is very important for his country to establish close relations with China, because improving and deepening such ties with China would help South Africa achieve its target in building his country.

### PLA Delegation Leaves for West Africa Visit

OW0807055095 Beijing XINHUA in English  
0521 GMT 8 Jul 95

[FBIS Transcribed Text] Beijing, July 8 (XINHUA) — A military goodwill delegation from the Chinese People's Liberation Army (PLA) led by General Liu Jingsong, commander of the Lanzhou Military Area Command, left here by air today on an official goodwill visit to Cote d'Ivoire, Benin, Guinea and Mali.

The delegation is to visit the four countries at the invitation of their military authorities respectively.



## West Europe

**French Attack on Greenpeace Ship Condemned**

HK1107053095 Hong Kong EASTERN EXPRESS  
in English 11 Jul 95 p 14

["Attack Will Cost France Dearly"]

[FBIS Transcribed Text] Exactly a decade to the day, the French have gone and done it again — shot themselves in the foot. In what had all the tell-tale marks of state-sponsored terrorism on the high seas, 150 French Navy commandos in black helmets and jumpsuits stormed aboard Rainbow Warrior II, knocking out doors, smashing windows and firing teargas at the crew before taking two dozen people off the vessel for questioning by police from the French Polynesian island of Tahiti.

The Rainbow Warrior had entered the 20 kilometre exclusion zone around France's Mururoa Atoll nuclear test site in the South Pacific. The voyage of the Rainbow Warrior was aimed at calling world attention to French plans to set off eight underground nuclear test blasts between September and May.

The nuclear testing plans, an about face on a moratorium declared by former French president Francois Mitterrand in 1992, was declared by his successor Jacques Chirac in June, provoking widespread international protests and condemnation by governments and activists.

France has set off more than 130 atmospheric and underground nuclear tests at Mururoa since 1966.

Despite a call from the French Socialist Party urging Chirac to abandon the tests, the French president has pressed on defiantly. With Bastille Day around the corner, the latest strike against the Rainbow Warrior will go down as France's day of shame, a cowardly act of a power-crazed bully.

Yesterday, about 100 Greenpeace activists, including survivors of the original Rainbow Warrior bombing that drowned photographer Fernando Pereira, had gathered in Auckland harbour for a memorial service.

Rainbow Warrior II and two companion vessels — the 12-metre Greenpeace sailboat Vega, and the Bifrost, a steel-and-fibreglass replica of a Viking ship operated by Danish anti-nuclear protesters — had been trying to reach Mururoa Atoll for the anniversary of the bombing that embarrassed France.

The French Navy, which had been tracking the Rainbow Warrior with four ships for some days, had warned that it would divert the anti-nuclear protesters as soon as they crossed the 20km exclusion zone.

Then came the strike when the commandos swarmed over the ship and surrounded the bridge. Seconds later, as the crew scrambled downstairs for cover behind locked cabin doors, the commandos smashed the glass in the windows and lobbed teargas grenades on board.

The last desperate words came from a crew member, Stephanie Mills, in a dramatic broadcast from the ship when she screamed "Stop it, stop it," before she was overcome by gas and shut off.

The Australian and New Zealand governments denounced the French action as excessive. Australia's acting Foreign Minister, Bob McMullen, said: "It does seem hard to justify why 150 French commandos would need to use teargas to overpower 30 peace protesters. So it does appear that there might have been more than proportionate force used by the French."

The French government said no one was injured, but Greenpeace insisted that two people were injured in the teargas attack. Four inflatable speedboats carrying eight activists were launched just before the commando raid. Those people are still unaccounted for, Jon Walter, a Greenpeace spokesman, said.

Incredible as it may sound, the French ambassador to New Zealand, Jacques Le Blanc, said: "No, there was no violence ..." and added that France did not regard teargas as a weapon.

The New Zealand Prime Minister, Jim Bolger, was, apparently, not impressed: "You wouldn't have to board a ship with unarmed people with teargas. I mean, all that looks totally over the top."

Public reaction to the announcement of the French nuclear testing, predictably enough, has been vehement, as demonstrated in the firebombing of the French Consulate in Perth, Western Australia.

Greenpeace supporters, shattered by the bitter irony of the storming of the Rainbow Warrior, vowed that people-power must defeat France's plans to resume nuclear testing. "You cannot sink a rainbow," they said and it is becoming clear that their anti-nuclear campaign cannot be stopped, even with violence.

The fallout from the sneaky attack on the Rainbow Warrior and the neo-colonialist arrogance of Chirac in defying international opinion against nuclear testing is going to cost France dearly. Already the cry is gathering momentum for a boycott of French goods, a mere hint of the backlash on its way to sweep Chirac off his Napoleonic delusions of grandeur and power.

**'Colonialist Attitude' Viewed**

HK1107053395 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Jul 95 p 18

[FBIS Transcribed Text] By the normal standards of coastal policing operations, the French commando raid on the Greenpeace vessel, Rainbow Warrior II, was rough. Storming a vessel and arresting its crew is one thing. The indiscriminate use of tear gas and smashing of doors and windows is quite another.

Greenpeace can hardly claim, however, that it did not know what was likely to happen when it sailed into the exclusion zone around Mururoa Atoll or that its choice of the 10th anniversary of the French bombing of the original Rainbow Warrior was entirely innocent. Despite the violence of the arrest, no one was seriously hurt and all those involved have been freed after questioning. France has sent a tough message to the opponents of nuclear testing — but it has not so far gone beyond symbolism.

However, while France's claim that it was merely doing what was necessary to ensure its laws were respected may sound reasonable to supporters of its nuclear programme, the truth, as Australian Foreign Minister Gareth Evans has pointed out, is that the raid was an almost inevitable consequence of "a very foolish and a very indefensible decision having been made to resume the tests in the first place".

The tests, due to begin in September, are unnecessary. France's use of an atoll far away from home reflects the colonialist attitude with which this declining power still treats the South Pacific. It has no more business testing on Mururoa than Britain would have conducting tests in the Falkland Islands. The regional environment of the southern oceans is not France's to do what it likes with. As yesterday's protests in Hong Kong and elsewhere demonstrate, that fact is recognised internationally by all but the nuclear powers themselves.

**Protest March Opposes Resumption of Testing**

HK1107052895 Hong Kong HONGKONG  
STANDARD in English 11 Jul 95 p 3

[By James Kelly]

[FBIS Transcribed Text] About 600 people, angry at France's decision to restart nuclear testing in the South Pacific, took their anti-Gallic sentiment to the streets of Hong Kong yesterday.

The crowd marched from the Star Ferry pier in Central to the offices of the French Consul-General, Laurent Aublin, in Admiralty Centre Tower II to present him with a petition.

"No more Camembert, no more champagne, we will not join in France's deadly game," the crowd chanted as it made its way through Chater Garden and on through the Queensway shopping plaza.

Businessmen and women, students, placard-waving grandmothers and babies asleep on their mothers' backs, all took their place in the mainly expatriate gathering.

The protest march was organised by the New Zealand Society of Hong Kong.

A group of vocal local Chinese said they were just as angry at what the French were proposing to do at Mururoa Atoll in September.

"Don't tell me Hong Kong people do not care ... we do," said one local woman.

Another young Hong Kong man said it was important to speak out.

The march came to a halt at the bottom of the Queensway Plaza Twenty-four floors above, Mr Aublin refused to leave his office.

March organiser Julia Davey was finally granted an audience with Mr Aublin while her followers waited on the ground floor.

Mr Aublin, however, refused to accept Ms Davey's petition.

The letter, with several hundred signatures hastily collected before the march began, will not, after all, be handed over to the man responsible for restarting nuclear testing, the new French President Jacques Chirac.

**Zhejiang, Schleswig-Holstein Sign Agreement**

HK1107085495 Beijing CHINA DAILY in English  
11 Jul 95 p 5

[Article by Zhou Weirong: "German State, Zhejiang Allies"]

[FBIS Transcribed Text] Hangzhou — Zhejiang Province signed an agreement of friendship and co-operation with the German state of Schleswig-Holstein in Hangzhou yesterday.

Governor Wan Xueyuan and Heide Simonis, President of Schleswig-Holstein, inked the agreement signalling large-scale economic and social exchanges and co-operation.

The sides agreed to continue to enhance and promote the existing friendly co-operative relationship on an "equal, mutually profitable and co-operative" basis.

An economic exchange promotion committee will be set up in a bid to strengthen the trade and scientific co-operative ties between the sides, according to the agreement.

Simonis arrived in Hangzhou on Saturday evening with a 27-person delegation, including 15 business executives.

Both sides established contacts as early as 1986, when they established the friendship states relationship. But bilateral economic links have lagged. The only co-operative project between them was a 500,000-mark (\$365,000) compensation trade deal signed in 1989 between Hangzhou Electronic Tubes Factory and a Schleswig-Holstein X-ray firm.

Prior to yesterday's signing of the agreement, Wan and Simonis had a two-hour talk to discuss business and trade opportunities.

Simonis expressed that the state will send business administration and consulting experts to help Zhejiang enterprises for technical and management improvement.

After the talk and signing ceremony, two other joint venture agreements were held soon after.

ACO Severin Ahlmann GmbH & Co KG agreed with its two Chinese partners to set up two joint ventures in Hangzhou and Ningbo by the end of the year.

They will co-operate to develop window profiles and window systems suitable in the Asian market, according to the Chinese partners: Zhejiang Construction Components & Fittings Co and Ningbo Zhedong Cement Products Factory.

Meanwhile, an industrial and commercial information introduction and exchange meeting was held, attended by 56 German enterprises and over 100 Chinese counterparts.

These enterprises were mainly from electronic, energy, environmental protection, medical equipment and construction material industries.

The German delegation will leave Hangzhou for Hong Kong.

In September, Zhejiang will hold a trade fair in Germany to introduce Zhejiang to German people, said Wan.

## East Europe

### Jiang Zemin Continues Hungary Visit

#### Meets President

OW1007154595 Beijing XINHUA in English  
1502 GMT 10 Jul 95

[FBIS Transcribed Text] Budapest, July 10 (XINHUA) — Visiting Chinese President Jiang Zemin and Hungarian President Arpad Goncz, in their talks today, expressed satisfaction over the smooth development of Sino-Hungarian relations in recent years.

Jiang, who arrived here Saturday [8 July] for a state visit, said China takes a positive attitude toward the development of economic and trade ties with Hungary.

He said he believes his meeting with Goncz will further increase mutual understanding and help push the Sino-Hungarian ties to a new level.

Goncz said Hungary has no conflicts of interests with China and attaches importance to relations with the country while developing relations with European nations.

He said his country hopes its relations with China will gain an overall development.

Jiang said China and Hungary enjoy a long-lasting friendship and have common grounds in seeking peace and development, safeguarding state sovereignty and independence, developing national economy and improving the people's living standards.

These, he said, form a solid basis for the development of bilateral ties.

On bilateral economic and trade ties, the Chinese president said China is willing to make joint efforts with Hungary in further expanding bilateral trade.

He said the Chinese government supports and encourages cooperation between companies of the two countries in various forms and welcomes Hungarian businesses to participate in China's major economic projects.

Goncz said Hungary has advantages in automobile and energy industries and hopes to increase cooperation with China in these areas.

During the talks, Jiang reiterated China's stand on the Taiwan and Tibet issues and expressed appreciation over Hungary's adherence to the "one China" policy and its respect for China's sovereignty and territorial integrity.



Speaking to reporters following the talks, Goncz said he and Jiang hold similar views on the current international situation and on issues concerning the future.

Describing China as a strategic partner of Hungary, Goncz said Hungary is willing to participate in the economic construction in China, whose economic growth is the fastest in the world.

Jiang told reporters that he and President Goncz had "in-depth" discussions on furthering bilateral ties as well as on issues of common concern, particularly those concerning economic cooperation, in a "friendly atmosphere."

He said both China and Hungary are undergoing reforms, and China is building a system of socialist market economy. He reiterated that China takes a positive attitude in developing economic and trade cooperation with Hungary.

Chinese Vice-Premier and Foreign Minister Qian Qichen and Minister of Foreign Trade and Economic Cooperation Wu Yi were present at the talks.

Hungarian State Secretary of the Ministry of Industry and Commerce Karoly Soos and State Secretary of the Ministry of Agriculture Zoltan Kiss were also present.

Goncz is scheduled to host a banquet in honor of Jiang this evening.

#### **Meets Assembly President**

OW1007161995 Beijing XINHUA in English  
1602 GMT 10 Jul 95

[FBIS Transcribed Text] Budapest, July 10 (XINHUA) — Visiting Chinese President Jiang Zemin said here today that China fully respects the choice made by the Hungarian people in accordance with the conditions in their country.

Jiang, in a meeting with President of the Hungarian National Assembly Zoltan Gal, said that the choice of a social system and model of development belongs to the internal affairs of a sovereign state and that other countries have no right to interfere in it or comment irresponsibly about it.

During the meeting, the two leaders expressed satisfaction over the increase in contacts in recent years between the Hungarian National Assembly and China's National People's Congress.

Jiang said Sino-Hungarian relations should be valued and maintained. He added that the Chinese government will continue to develop long-term and stable relations with Hungary in line with the principles of mutual respect and seeking common ground while respecting differences.

At the meeting, Gal said the Hungarian National Assembly hopes to further enhance contacts with China's National People's Congress so as to contribute to friendly Hungarian-Chinese ties.

He said the National Assembly and the political parties of Hungary considered Jiang's visit important, adding that Jiang's meetings with Hungarian leaders were "fruitful" and the visit has been a "complete success."

#### **Attends Welcome Banquet**

OW1107012195 Beijing XINHUA in English  
0108 GMT 11 Jul 95

[FBIS Transcribed Text] Budapest, July 10 (XINHUA) — Visiting Chinese President Jiang Zemin said here today that the various differences in national situation between China and Hungary should not become obstacles in the development of bilateral relations.

What is important, Jiang said, is that the two countries share common grounds in seeking peace and development, safeguarding national independence and sovereignty and many other issues.

In addition, both countries have the desire to develop bilateral friendly ties, Jiang said.

Jiang made these remarks at a welcome banquet hosted by Hungarian President Goncz Arpad in Jiang's honor.

Jiang said that Hungary is now undergoing profound changes and that the Hungarian people are making unremitting efforts for social and economic development.

Hungary, by pursuing a policy of developing friendly relations and cooperation with all countries in the world, is playing a positive part in maintaining peace and stability in the region and the world as a whole, he said.

During his speech, Jiang outlined China's five guiding principles in developing long-term, friendly and mutually-beneficial relations with countries in Central and Eastern-Europe.

Goncz, who visited China last September, said Hungarian-Chinese friendship is a treasure deserved to be cherished and developed in the future.

He added that the frequent exchange of views at high levels between the two countries will play an important part in this regard.

The president said that to expand the mutually-beneficial relations is where the common interests lie.

China is not only an important partner of Hungary because of its key role in international politics, but also extremely important to Hungary in terms of bilateral

ties in economy, trade, culture, education, science, technology and other fields, Goncz noted.

He expressed the belief that the current visit by Jiang marks the beginning of a new stage of Hungarian-Chinese relations and gives new impetus to such relations.

Goncz described his talks with Jiang as "fruitful," saying that Hungary attaches importance to such talks as well as ministerial meetings.

#### Further on Banquet

OW1107054595 Beijing XINHUA Domestic Service in Chinese 0135 GMT 11 Jul 95

[By reporters Wei Guoqiang (7614 0948 1730), Hou Fengjing (0186 7685 5464) and Lu Jing (4151 0513)]

[FBIS Translated Text] Budapest, 10 Jul (XINHUA) — Chinese State President Jiang Zemin comprehensively [quan mian 0356 7240] expounded upon the five principles for developing long-term friendly relations and cooperation between China and countries in Central and Eastern Europe at a welcoming banquet given in his honor by Hungarian President Arpad Goncz on the evening of 10 July.

The five principles expounded upon by Jiang Zemin are:

First, it is necessary to respect the choices of people of other nations and not interfere in the internal affairs of other nations. China always holds that the selection of a social system, value concept, and the road and model of development is entirely a country's internal affair. Other countries have no right to interfere in such affairs.

Second, on the basis of the Five Principles for Peaceful Coexistence, China is to equally develop friendly relations and cooperation with other countries. Differences in social systems, ideology, and values should not become obstacles in developing state-to-state relations.

Third, there is no conflict of fundamental interests between China and the Central and Eastern European nations. China's development of relations with Central and Eastern European nations is not directed against any third country at all. It is completely based on realizing common prosperity and promoting peace and stability in Europe and the whole world as well.

Fourth, China is to expand economic cooperation and trade relations with the Central and Eastern European nations on the basis of equality and mutual benefits so as to promote the economic development of both sides and to benefit the peoples of the respective countries.

Fifth, China sincerely hopes that there will be stability in the Central and Eastern European region, and that the

peoples of the countries in the region will get along in a friendly and harmonious manner. China supports the peaceful settlement of disputes between those countries, and supports and respects the desire to enhance regional cooperation between those countries.

Jiang Zemin said: We are deeply convinced that these principles are in the common interests and desires of all peoples in the region and will stand the test of time. He said that this Chinese policy will not change, no matter how the international situation changes.

Jiang Zemin expressed his firm belief that the Central and Eastern European nations — by maintaining peaceful coexistence, increasing cooperation, and giving full play to their respective advantages — can certainly play a greater role in European and international affairs.

President Jiang Zemin started his four-day state visit to Hungary on 8 July.

#### Addresses Banquet

OW1107023195 Beijing XINHUA in English 0220 GMT 11 Jul 95

[FBIS Transcribed Text] Budapest, July 10 (XINHUA) — Chinese President Jiang Zemin said here today that China, in developing relations with Central- and Eastern-European countries, will always abide by the principle of respecting the choices of other nations and of non-interference in the internal affairs of others.

Jiang, on a state visit in Hungary, made the statement in an address to a banquet hosted by Hungarian President Goncz Arpad in Jiang's honor.

The Chinese president said that China has always held that it is a country's own affairs to decide what social system, values and development model to adopt. Other countries have no right to interfere in such affairs, he added.

It was the first time that China set forth its principles guiding the development of relations between China and Central- and European nations. [sentence as received] The principles Jiang expounded at the banquet also include:

— China is to equally develop friendly relations and cooperation with the Central- and Eastern-European nations on the basis of the five principles of peaceful co-existence.

Differences in social systems, ideology and values should not become obstacles in developing state-to-state relations.

— There is no conflict of fundamental interests between China and the Central- and Eastern-European nations.

China's development of relations with Central- and Eastern- European nations is not directed against any third country at all. Rather, it is based on realizing common prosperity, and intended to promote peace and stability in Europe and the whole world as well.

— China is to expand economic cooperation and trade relations with the Central- and Eastern-European nations so as to promote the economic development of both sides and to benefit the peoples of respective countries.

— China sincerely hopes that the Central- and Eastern-European region will remain stable and peoples of the countries in the region co-exist in a peaceful and harmonious manner.

China supports the peaceful settlement of disputes between those countries, supports and respects the desire of enhancing regional cooperation.

China believes that this principle is in the common interests and desires of all peoples in the region and will stand the test of time.

No matter how the international situation changes, this guideline of China's will remain unchanged.

China believes that the Central- and Eastern-European nations, by maintaining peaceful co-existence and increasing cooperation, will play a bigger role in European and international affairs.

To conclude, the Chinese president said China will continue to firmly pursue the independent foreign policy of peace and strive for maintaining world peace and common development of all countries.

The Chinese people are concentrating on economic reconstruction in line with the policies of reform and opening to the outside world.

He added that the Chinese people will make joint efforts with peoples of Hungary and other nations in the region to seek peace and development.

Jiang is currently on a three-nation tour in Europe, which has also taken him to Finland. He is scheduled to leave here for a visit in Germany Tuesday.

#### Leaders Hail Ties

OW1107080795 Beijing XINHUA Domestic Service  
in Chinese 0312 GMT 11 Jul 95

[By reporters Hou Fengjing (0186 7685 5464) and Wei Guoqiang (7614 0948 1730)]

[FBIS Translated Text] Budapest, 10 Jul (XINHUA) — Hungarian President Goncz gave a grand banquet in honor of Chinese President Jiang Zemin on 10 July. Both the guest and the host exchanged congratulations

on the fact that Sino-Hungarian relations have entered a new stage of development.

In his toast, Jiang Zemin comprehensively [quan mian 0356 7240] expounded upon the five principles for China to develop long-term friendly and mutually beneficial relations and cooperation with Central and Eastern European nations.

The Hunting Hall of the Hungarian Parliament was decorated with bright lights on the evening of 10 July. When President Jiang Zemin and his wife, Wang Yeping, arrived at the banquet hall around 2000 hours [1100 GMT], they were warmly welcomed by President Goncz and his wife.

President Goncz was the first to propose a toast, saying the experience and impression he gained during his visit to China in September last year convince him that the traditional friendship between the peoples of the two countries are valuable assets that must be maintained and developed through common efforts in the days to come.

He reiterated: Expanding mutually beneficial relations between Hungary and China is always where the interests of the two countries lie. The People's Republic of China, as a decisive factor in world politics, is not only Hungary's important partner but is also of great importance to Hungarian-Sino economic, trade, cultural, educational, scientific, and technological relations.

Goncz said: He was pleased to see that the Chinese side also has the political desire to develop, in various ways, cooperation between the two countries. The foundation of Hungarian-Sino relations has been consolidated due to common aspirations and efforts by both sides. This will be very conducive to the development of Hungarian-Sino relations in the days to come.

He said: As a supplement to relations between states, ties between the local governments of the two countries have been established and are developing. These ties can also serve as the framework for promoting effective economic cooperation and establishing closer non-governmental ties.

He said he was convinced that as a result of President Jiang Zemin's current visit, Hungarian-Sino traditional relations have entered a new stage of development. At the same time, the visit has injected new motive force into cooperation between Hungary and China.

In his reply speech, President Jiang Zemin spoke highly of the Hungarian people's unrelenting efforts in realizing economic and social development. He praised Hungary for pursuing a policy of developing friendly relations and cooperation with various countries which



is playing a positive role in safeguarding peace and stability in the region and in the world.

He said: The friendship between the peoples of the two countries goes back to ancient times. Historically, the two countries have had many contacts, and there are many similarities in the field of culture.

He said: China is in Asia while Hungary is in Europe. Their national conditions differ considerably. These should not and will not become obstacles to developing our relations. What is most important is that the two countries share many common points in peace and development, in safeguarding national independence and national sovereignty, and in other issues. Both sides have a strong desire to develop friendly relations and cooperation. President Goncz was very successful in his official state visit to China last September.

Jiang Zemin expressed the belief that his visit to Hungary would certainly further increase mutual understanding and friendship between two countries and promote the sustained and stable development of their bilateral relations.

He pointed out: Central and Eastern Europe is an important region in the world. China greatly cherishes its traditional friendship with the people of Hungary and other countries in this region and is willing to abide by the following principles in developing long-term, friendly, mutually beneficial, and cooperative relations with them:

First, we will respect the choices of the people of other countries and will not interfere in their internal affairs. China has always advocated that it is entirely a sovereign country's own affair to choose whatever social system, values, and development path and that other countries have no right to interfere in such matters.

Second, we will treat all other countries equally, without discrimination, and develop friendly and cooperative relations with them on the basis of the five principles of peaceful coexistence. Differences in social systems, ideology, and values should not become obstacles to the development of state-to-state relations.

Third, there is no conflict of fundamental interests between China and Central and Eastern European countries. China's development of relations with Central and Eastern European countries is never directed against any third country but is wholly aimed at realizing common prosperity and promoting peace and stability in Europe and other parts of the world.

Fourth, on the principles of equality and mutual benefit, China will expand its cooperation with these countries in economic and trade cooperation to promote our

economic development and to bring benefit to the people of our countries.

Fifth, China sincerely hopes that the Central and Eastern European region will remain stable and that the people of the countries in the region will live in harmony. China supports the peaceful settlement of disputes between those countries and supports and respects the desire of the countries in this region to strengthen regional cooperation.

Jiang Zemin said: We are deeply convinced that these principles accord fully with the common interests and aspirations of the people of China and the Central and Eastern European countries and can stand the test of history. No matter how the international situation changes, these principles will remain unchanged. He then said: We are deeply convinced that by living in harmony, strengthening their cooperation, and making full use of their favorable conditions, the Central and Eastern European countries will certainly be able to play an increasingly important role in European and international affairs.

Those attending the banquet on the evening of 10 July included Qian Qichen, vice premier and foreign minister; Zeng Qinghong, special assistant; Wu Yi, minister of foreign trade and economic cooperation; Zeng Peiyan, vice minister of the State Planning Commission; Jiang Enzhu, vice minister of foreign affairs; Teng Wensheng, special assistant; You Xigui, special assistant; and Chen Zhiliu, Chinese ambassador to Hungary.

Those attending from the Hungarian side were Foreign Minister Laszlo Kovacs, Agriculture Minister Laszlo Lakos, State Secretary Csoti Karoly of the Ministry of Industry and Trade, and State Secretary Czigany Karoly of the Presidential Office.

### Latin America & Caribbean

#### Beijing Envoy Arrives at Menem's Inauguration

OW0807023595 Beijing XINHUA in English  
0207 GMT 8 Jul 95

[FBIS Transcribed Text] Buenos Aires, July 7 (XINHUA) — Chinese Vice Foreign Minister Li Zhaoxing arrived here today to attend Argentine President Carlos Menem's second inauguration scheduled for Saturday [8 July].

Li, who is heading a delegation, expressed the wish at Buenos Aires International Airport that fraternal relations between the two countries would be further strengthened.

The Chinese delegation also will meet with Foreign Policy Sub-Secretary Enrique Gonzalez for bilateral talks.

**Beijing, Mexico Sign Cooperation Document**

PA0707151795 Mexico City NOTIMEX in Spanish  
2128 GMT 6 Jul 95

[FBIS Translated Text] Mexico City, 6 Jul (NOTIMEX) — The Mexican Foreign Secretariat announced that Mexico and China signed a document that comprises 62 technical cooperation and scientific programs to be implemented during the 1995-1996 period.

The secretariat reported that the document had been signed by Javier Trevino Cantu, Mexican international cooperation under secretary, and Xu Guanhua, the PRC vice minister in charge of the State Science and Technology Commission, in the framework of the third Mexican-PRC Mixed Technical and Scientific Cooperation Commission.

In a communique, the Foreign Secretariat explained that the cooperation will be in fields such as hydraulic resources, electrical microscopy, mathematics, agriculture, genetics, entomology, molecular biology, biotechnology, intermediate machine design, and aquaculture.

Other fields for cooperation include ethnobotany, pharmacology, research on materials, traditional medicine,

speleology, disaster prevention, social development, handicraft production and marketing, and exploitation of mineral resources [silvilotacion de recursos minerales].

The document indicates that the delegations decided to negotiate new projects of mutual interest, different from the 62 programs agreed upon, in order to expedite and energize the existing cooperation relationship.

The Foreign Secretariat pointed out that, in the framework of his four-day visit to the PRC, Under Secretary Trevino Cantu met with Song Jian, the PRC minister in charge of State Commission for Science and Technology, and Yang Chijie, vice minister of foreign affairs.

He also talked with Liu Chengguo, vice minister of agriculture; and Xu Guanhua, the vice president of the State Science and Technology Commission, among other officials.

Trevino Cantu broached the issues in the bilateral agenda and highlighted the Mexican Government's new actions in the areas of international cooperation that were included in the 1995-2000 National Development Program.

**Political & Social****Deng Family Trying To Orchestrate  
'Reappearance'***HK1107043895 Hong Kong SOUTH CHINA  
MORNING POST in English 11 Jul 95 p 10*

[By Agnes Cheung]

[FBIS Transcribed Text] Deng Xiaoping's family is trying to orchestrate a "reappearance" by the patriarch to claw back their political influence.

Sources close to the Deng household said yesterday that the children hoped the ailing elder statesman, who is 91 next month, would show up either in Beijing or at the annual informal Communist Party meetings at the seaside resort of Beidaihe.

This year's Beidaihe talks are seen as particularly significant because there will be decisions on the Ninth Five-Year Plan (1996-2000) and several key personnel changes.

The sources said some Deng relatives were trying to persuade the medical team caring for Mr Deng to allow the old man to make a brief foray from the family residence.

They said the possibilities for a Beidaihe appearance were slim because the resort was several hours by car from the capital, and the medical facilities there could not be compared with those of Beijing or Shanghai.

However, a brief "photo opportunity" in the capital would go a long way towards persuading party cadres and the public that Mr Deng was still able to attend to affairs of state.

It is understood that the children had planned the Deng reappearance as a "gesture of protest" against efforts by President Jiang Zemin to shut out the household from major policies.

"The children think Mr Jiang and other leaders are no longer showing respect to either Deng or themselves," one source said. "A Deng appearance might serve to rally the large number of Deng supporters in the Party and Army."

The source said the Deng children were under surveillance by the authorities. "If (eldest son Deng) Pufang treats you to a meal today, you'll find a car (of secret police) outside your home tomorrow," he said.

Political analysts, however, believe that the offspring could not turn the tables on Mr Jiang, even if Mr Deng were fit enough to travel to Beidaihe.

"Not many people will listen to the patriarch now. Jiang has tightened his grip on the Party, the Government and

the Army. It's as though Deng were no longer around," a well-placed analyst said.

He added, however, that Mr Deng, his offspring and supporters had a "legitimate grievance" against Mr Jiang and other policy-makers.

Mr Jiang, Vice-Premier Zhu Rongji and some leading scholars have hinted that Mr Deng's policies have triggered problems including corruption, inflation and general economic instability.

Mr Deng's critics have been quoted as saying that if the patriarch had not advocated the "high-growth model" in his tour of Guangdong in early 1992, many problems in the economy could have been avoided.

It is believed that at least one Deng offspring will be subject to corruption investigations upon Mr Deng's demise.

Latest reports from Beijing say that while Mr Deng is in "stable condition", the deterioration of his mental and physical faculties continues.

**Zou Jiahua Aide Detained for Investigation***HK1107044095 Hong Kong HONGKONG  
STANDARD in English 11 Jul 95 p 6*

[By Amy Liu]

[FBIS Transcribed Text] A personal aide to a senior Chinese leader was recently detained for accepting a bribe in a relief project for the flood-hit Sichuan province last year.

His detention was made at a time when the country was mounting its fight against both man-made and natural disasters. Rampant corruption among party and government officials is said to be the corrosive threat to communist rule, and one of the worst floods is hitting large parts of southern China, causing more than 1000 deaths and major economic losses.

Anti-corruption organisations from flood-hit provinces have vowed to strengthen their check against corrupt officials who are responsible for the fight against the natural disaster.

The Communist Party's Provincial Commission of Discipline Inspection and the Supervision Office in the flood-hit provinces such as Hubei recently sent out circulars calling for localities to undertake the anti-flooding work with discipline, sources said.

Deputy Minister of Civil Affairs, Li Baofu, recently visited the worst-hit provinces of Henan and Jiangxi to overlook the relief effort.



The fund of 1.6 billion yuan (HK\$1.5 billion) for annual relief operations during natural disasters might not be sufficient this year, apparently due to the increasing number of victims and soaring inflation, sources said.

"The relief work would be more difficult if the fund was further embezzled by local officials," an official from the Ministry of Civil Affairs said.

However, the official said no officials had so far been accused of having embezzled the relief fund for the victims.

The anti-corruption organisations strengthened the supervision as the Central Government vowed to wipe out rampant corruption across the country, calling for efficient management and a ridding of corrupt behaviour.

Meanwhile, Liu Du, a secretary to the vice-premier Zou Jiahua, is still under investigation for allegedly accepting a bribe on a purchase of industrial oil, which was planned for Sichuan's reconstruction following a severe flood last year.

Mr Liu allegedly received sales commissions of up to a million yuan for the purchase of tonnes of industrial oil, sources said.

The price of the industrial oil was 25 per cent cheaper than market price, despite the commission paid to Mr Liu.

A military man in Sichuan initiated the purchase and asked Liu Huaqing, the vice-chairman of the Central Military Commission, for a favourable price for the tonnes of industrial oil.

Mr Liu endorsed the grant of oil with a privileged price for relieving the reconstruction work in Sichuan, sources said.

When Mr Liu transferred the case to Mr Zou to carry out the allocation of oil to Sichuan, Mr Zou's secretary blocked the purchase by asking for a high commission.

The vice-chairman ordered a probe into the case after he was informed of the complaint, sources said.

Liu Du was sacked by the vice-premier two months before he was taken away.

Sources said that Vice-Premier Mr Zou has no connection with the case.

Ten provinces in China have been suffering severe floods since May, pushing the death toll to 1100, injuring 20,000 and causing economic losses of 40 billion yuan.

The Yangtze River swelled to levels not seen in more than 45 years along many towns in central Hubei and neighbouring Anhui province.

China is drafting laws for reducing the effects of natural disasters.

The mammoth projects which will help minimise the effect of natural disasters are expected to be announced later this year.

#### **Luo Gan Addresses Migrant Population Conference**

OW0907035395 Beijing XINHUA in English  
0330 GMT 9 Jul 95

[FBIS Transcribed Text] Beijing, July 9 (XINHUA) — A national work conference on migrant population being held in Xiamen, east China said that China will make an overall plan for the control over its migrant population.

State Councillor Luo Gan said at the conference which opened yesterday that migrant population, especially that from rural areas, has become a striking social phenomenon during the process of reform and opening up and establishment of the socialist market economy system in China.

The number of migrant population in China now is about 80 million.

Luo said that much work has been done to control the migrant population and guide surplus rural labor to work in cities in an orderly way. However, he added, management work was still weak, and as a result, surplus rural labor floated blindly from place to place.

He said that more guidance and management should be given to the migration of surplus labor. Local governments should offer jobs to most surplus rural labor by comprehensively developing agriculture and township enterprises and constructing more small towns.

Then, he said, part of surplus rural labor can work in cities in an orderly way as urban economic development demands. Relevant measures of management, education and service should be gradually taken for the migrant population.

Officials of 30 provinces, autonomous regions and municipalities took part in the conference.

#### **Further on Conference**

OW0807145795 Beijing XINHUA in English  
1445 GMT 8 Jul 95

[FBIS Transcribed Text] Xiamen, July 8 (XINHUA) — A national conference on administration of the increasing floating population in China opened today in this coastal city of Fujian Province in east China.

Ren Jianxin, chairman of the Central Committee for Comprehensive Management of Public Security, said at the conference that floating population has become

a major issue in the political and economic life of the nation, thus the Central Committee of the Communist Party of China (CPC) and the State Council are greatly concerned with it.

Ren said the conference is to sum up local experience in administration of floating population and to work out a national policy for the matter.

Luo Gan, State Councillor and vice-chairman of the Central Committee for Comprehensive Management of Public Security, spoke on behalf of the committee on the measures to be taken for strengthening administration of floating population.

Luo said under the new circumstances of reform and opening up to develop a socialistic market economy, the floating of population, especially the trans-regional floating of rural surplus labourers, has become a conspicuous social phenomena. The floating population throughout China now totals about 80 million, according to Luo.

Luo stressed that the issue of floating population goes beyond the transfer and re-employment of rural surplus labourers. It is an economic and political issue directly related to the economic development and social stability of China, he added.

Luo called on local governments and authorities to pay high attention to the issue of floating population and to take firm and timely measures to enhance administration of floating population in an all-round way.

He said that it is necessary to absorb rural surplus labourers through strengthening comprehensive agricultural development, developing rural industrial enterprises, and speeding up development of towns and small cities.

#### **Radio Commentary Stresses Cadres' Leading Role**

*OW0807124695 Beijing Central People's Radio Network in Mandarin 2230 GMT 30 Jun 95*

[Station commentary from the "News and Press Review" program: "Party Cadres Should Play an Exemplary Role in Various Tasks in the New Period"]

[FBIS Translated Text] At a time when China has achieved victory after victory in reform, opening up, economic development, and other undertakings, and when the entire nation from top to bottom is deepening efforts in emulating Kong Fansen, the party's good cadre and the people's good servant, the CPC's 74th founding anniversary has come and the commendation meeting for 100 national outstanding county and city party secretaries has opened. For this reason, we warmly

congratulate the party's birthday and extend our great respect to these outstanding party cadres.

The CPC has continued to expand and strengthen in reform and development. Currently, there are 55 million party members and 3.4 million grass-roots party organizations nationwide. Party committees at all levels and grass-roots party organizations, under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, have united and led the broad masses to actively engage in the great cause of building socialism with Chinese characteristics. They have opened up boldly and struggled arduously to achieve new success in their undertakings. The vast number of communist party members have made selfless sacrifices, brought into play their pioneering role, and displayed the fine character, morals, and modern style of the working class for various tasks in reform, opening up, and socialist modernization.

Looking back at the course the party has treaded, the exemplary role of party members and cadres has continued through history. They have led the vast number of party members and people with strong beliefs, sacrificial spirit, and iron will in the struggle for the motherland's independence and prosperity. The people affectionately call them leaders. In the new period of reform and opening up these leaders are asked to meet new demands — what and how are they going to lead? This is a question every party member and cadre should seriously ponder. The deeds of 100 outstanding county (city) party secretaries have given us inspiration. Whenever and wherever we are, we must straighten ourselves and recognize clearly that power comes from the people. Therefore, we must hold our power for and serve the people. This is crucial for good leadership. The foundation for our party's reliance on the broad masses is promoting party building, taking the overall situation into consideration, abiding by disciplines, stressing practical work, and engaging in hard and honest work. If we want to lead, we must lead in this manner. Times and circumstances are changing, but not only have the requirements not changed for party members and cadres to play an exemplary role, but they are now more demanding and more difficult.

Our party has prospered with each passing day exactly because of a large group of honest leaders of firm belief and selfless sacrifice. Meanwhile, people have noticed that, under the assault of various material desires, money worshipping, hedonism, and extreme individualism, some party cadres have lost their principles and even their character. There are cadres who refuse to take the leading role in promoting the two civilizations, but behave as lords and masters. They chitchat during meetings and go for drinking later. They are playing a

role that corrupts party style. On the occasion of the 1 July party founding anniversary, while learning from outstanding party cadres we must strengthen the anticorruption struggle and promote honesty. We must put in new efforts to strengthen the party's ideological building, theoretical training, and organization to achieve greater results. After the Fourth Plenary Session of the 14th CPC Central Committee, some activities of learning aimed at raising members' quality and enhancing party building are being conducted in various localities. These activities of learning are centered on the theory of building socialism with Chinese characteristics and the party constitution.

It has been proven in practice that wherever party members and cadres efficiently play the leading role, the learning activities in the locality are well organized. We hope that every party member and cadre compares him or herself with the commended comrades, and draws on their strength to supplement our weaknesses so as to become an honest and good leader in the people's eyes.

#### **RENMIN RIBAO Commentator's Article Views Cadre**

OW1007050395 Beijing XINHUA Domestic Service  
in Chinese 1405 GMT 9 Jul 95

[The following was issued by XINHUA as a replacement for an earlier article with the same title, carried at 1241 GMT 9 July, which XINHUA then killed at 1405 GMT. Explanatory notes below describe the differences in the initial XINHUA item.]

[FBIS Translated Text] Beijing, 9 Jul (XINHUA) — Commenting on a long newsletter "Life Burns for the People," RENMIN RIBAO published a commentator's article entitled "Hoping All Township and Town Cadres Will Emulate Him." [First paragraph of initial item reads: Xian, 9 Jul — Short Commentary: Hoping All Township and Town Cadres Will Emulate Him.]

The arduous work and the spirit of selfless contribution of Comrade Tian Jianguo, secretary of the township CPC committee, and concurrently head of the Pingkan Township, Fengxian County, Shaanxi Province, are deeply touching. He is a Kong Fansen-type township cadre and is a Kong Fansen among township and town cadres! We hope that all our township and town cadres and communists will seriously read the deeds of Comrade Tian Jianguo.

As far as their ranks are concerned, secretaries of township and town party committees and heads of townships and towns are not high ranking. Nevertheless, their responsibilities are not light. The party and government line, principles, and policies depend on them for publicity and implementation. Whether or not the ordinary

people of a township or town can constantly improve their living standard depends on whether or not they can exercise good leadership. Whether or not the party and the government can enjoy high prestige among the people also, to a considerable extent, is closely related to whether or not they have a good work style and whether or not they can make outstanding achievements in their official career.

The work of townships and towns is plentiful, strenuous, various, and overelaborated, and it is not easy to do it well. However, Comrade Tian Jianguo has done it with flying colors. He has set a very good example for the broad masses of township and town cadres. Comrade Tian Jianguo keeps firmly in mind the party's fundamental objective of wholeheartedly serving the people. The balance in his mind's eye always tilts toward the people.

He pays attention to gaining a deep understanding of the people's well-being, that of "households with exceptionally greater difficulties," in particular. He said, it is necessary to "frequently try the food of the ordinary people" and to frequently go to live in the houses of "households with exceptionally greater difficulties," sleep on their heatable brick beds, and cover up with their black and dirty quilts. All this has enabled him to have the real understanding of the well-being of the people, especially that of the poor people, thus bringing his heart closer to the people and making even firmer his determination to lead the masses of people in shaking off poverty and getting rich.

He pays attention to earnestly doing solid work for the people. In spreading the technology of using plastic film to cover crops, running lead-zinc mines, doing family planning work, building bridges for children to go to school, and so on, he has always been very serious, painstaking, and wholehearted. He always calls a spade a spade and endeavors to bring actual benefits to the people. He never uses high-flying words or talks big. Nor does he spend time on showy or superficial work.

He always keeps the well-being of the people in mind and puts his personal and family interest in second place. When it rained, he would first check the houses of other people although his own house was leaking in many places. When there was a job vacancy, he would let others fill it first although his wife could reasonably and lawfully have filled it. He has a family of four, but he earns only 200 to 300 yuan a month. Nevertheless, he still spends 20 to 30 yuan on helping people who have more difficulties.

Some people think that in doing so, Tian Jianguo "suffers losses." However, he has given a very good answer: "If one is afraid of suffering losses, one should



not become a communist. The cadres of the Communist Party not only should take the lead in bearing hardships, but should also take the lead in suffering losses!" In the new situation of developing the socialist market economy, such a spirit of "bearing hardships" and "suffering losses" is even more difficult to attain and, hence, more worthy of esteem. It should especially be learned and is worthy of advocating.

Comrade Tian Jianguo has helped many "households with exceptionally greater difficulties" to shake off poverty and to get rich, but his own family has become a "household with exceptionally greater difficulties." The son he loves so much has never had a chance to eating even a banana. This has moved people to tears. While praising his noble selfless character, we would like to make an appeal to leading comrades of counties in various localities: Please concern yourselves more about fine township and town grass-roots cadres like Tian Jianguo, who serves the public wholeheartedly, works diligently for the people, has made outstanding achievements in his official career, and is supported by the people, and please consider formulating policies to their advantage to help them to overcome difficulties so that they can get rid of or reduce their trouble back at home and can render more meritorious services to the party and the people. This will also be conducive to inspiring and encouraging more cadres to learn from them.

#### **Commentator Views Young Pioneers Congress**

*HK1007031495 Beijing RENMIN RIBAO in Chinese  
2 Jun 95 p 1*

[Commentator's article: "Cross-Century Hope — Warmly Congratulating the Opening of the Third National Congress of the Chinese Young Pioneers"]

[FBIS Translated Text] On an occasion when children all over the country are joyfully celebrating the 1 June Children's Day, representatives of Young Pioneers, instructors, and Young Pioneers workers from 56 ethnic groups across the country are happily gathering together in Beijing to attend the Third National Congress of the Chinese Young Pioneers. This is a grand meeting, embodying cross-century hope. It is also a meeting characterized by the Young Pioneers organizations' leading the vast numbers of Young Pioneers to carry forward glorious traditions and to resolve to become useful people. We express our warm congratulations to the Young Pioneers across the country! We extend our high respects to the vast numbers of instructors and Young Pioneers workers, and wish the meeting complete success!

The Chinese Young Pioneers are mass organizations of Chinese children under the leadership of the party. They are an important component of the cause of the CPC. As early as the period of the democratic revolution, our party founded the Laboring Children's League, which has over 70 years of history. During the long journey of the revolution, children's organizations led by the party organized and guided children to grow through tempering in practice, and trained successors to the party's cause from generation to generation. After the founding of New China, thanks to the concern of the party, a national unified children's organization — the Chinese Young Pioneers — was founded. For nearly a half century, the Young Pioneers organizations have trained people of tremendous promise from generation to generation for the cause of socialist revolution and construction. Liu Wenxue, Long Mei, Yu Rong, Lai Ning, and other young heroes followed the footprints of the older generation, and set examples to hundreds of millions of children. In the new historical period, the Young Pioneers' organizations have carried forward and promoted revolutionary traditions. Focusing on the general goal of the party in the new period, guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the basic line of the party, and adapting themselves to the new situation and children's characteristics, they have launched varied and colorful educational activities — such as "emulating Lai Ning," "practice through labor," "hand in hand," and "five selves" — and have attained remarkable achievements. General Secretary Jiang Zemin wrote an inscription for the Young Pioneers: "Teach, take care of, protect, and improve yourselves; exercise self-discipline; and become qualified builders of, and successors to the cause of socialism." We are pleased to see that, nurtured by the sunlight of the party, children of the new generation are growing up strong and healthy. They are the future of the motherland and the hope of the Chinese nation.

There are now only five years until the end of this century. At the turning point of the century, we are faced with a cross-century topic. By the early next century, children now 12-13 years old will be in the prime of life. A strong modern socialist country with Chinese characteristics will be realized in their hands. The quality of contemporary children will determine the future of the country, as well as China's appearance and level of development in the 21st century.

The party Central Committee is very concerned about the work of the Young Pioneers, and places ardent hopes on children throughout the country. To train qualified builders of, and successors to the cause of socialism, which has a bearing on the overall situation of socialist

modernization drive, is an unshirkable duty of our party and all society. Party and government leaders at all levels should stand on the high historical plane of the motherland's future development, and should adopt practical and effective measures to support the work of the Young Pioneers and show concern for the healthy growth of children. Society as a whole should further promote the good social practice of showing concern for the next generation, and should make concerted efforts to create a favorable social environment for the healthy growth of children. Where there is heat, there is light. In particular, departments in such areas as the press, publishing, broadcasting, movies and television, and literature and arts, should give full play to their role in publicity and education, purify the general mood of society, and make efforts to provide healthy nourishment for the minds of children.

Young Pioneers throughout the country have sounded the clarion call to march toward the new century. We believe that with the care and support of the whole party and society, and under the leadership of the Communist Youth League of China and the Ministry of Education, China's Young Pioneers certainly will be able to usher in a splendid future with a brand-new posture, and to march with solid steps toward the 21st century.

#### **Flood Control Law Drafted for NPC Deliberation**

OW1007100195 Beijing XINHUA in English  
0911 GMT 10 Jul 95

[FBIS Transcribed Text] Beijing, July 10 (XINHUA) — China's first flood control law has been drafted by the Ministry of Water Resources and will be submitted to the National People's Congress for deliberation next year.

Yang Qian, an official in charge of legal affairs with the ministry, explained that a comprehensive law on flood control is badly needed because existing flood control regulations are not enough in view of the complex situation.

He said that fast economic development has posed new challenges to flood control.

"Many cities and towns are expanding themselves and setting up economic development zones without giving consideration to possible floods, and some even built factories in low-lying regions without any flood control facilities," he explained.

"Even river courses are cut as sites for building residences or industrial projects," he said.

Therefore, he said, the draft law rules that the ministry will enforce a licence system to make sure that construction projects do not hinder the flow of floods.

To ensure funding for building and repairing flood control facilities, the draft stipulates that the central government will increase its investment annually and "localities which directly benefit from flood control projects should shoulder a reasonable amount of cost."

The draft also says that the budgeted investment on flood control by governments at all levels should increase in accordance with national economic and social development.

According to the draft, the People's Liberation Army, armed policemen and public security officers should participate in flood control and rescue operations.

#### **Flood Victims in Hunan Suffering From Plague**

HK1007051595 Hong Kong SOUTH CHINA  
MORNING POST in English 10 Jul 95 p 8

[By Irene So in Hunan]

[FBIS Transcribed Text] Several flood victims in Yiyang are now suffering from the plague, and officials say the city is running out of medicine. There is also a severe shortage of steriliser for drinking water. Both the party committee office and government of Taojiang county — the most stricken area — said they did not have enough medicine for skin diseases.

In Taojiang, at least 3,000 farmers are suffering from the disease, picked up while trying to save belongings from the filthy deluge. "We are all having a difficult time. Medicine is extremely scarce. We are waiting for new supplies from the provincial Government," the head of a medicine team stationed in Taojiang, Liu Luofu, said yesterday.

Xu Shaoqing, a Vice-Mayor of Yiyang, said medicine stored in relief warehouses was soaked when water burst through the embankment a week ago. He said the Government was also anxious to prevent the spread of the plague as "individual cases" had been reported in the past week. The Taojiang party office estimated they needed more than one million yuan (HK\$932,000) for medicine.

Earlier, Vice-Premier Jiang Chunyun, who inspected the flood-stricken areas in neighbouring Jiangxi province, ordered affected provinces to do their best to prevent outbreaks of disease.

Mr Jiang urged officials to lose no time in offering medical treatment to victims.

Most officials and relief workers in Taojiang blamed the flood damage on the unavoidable "sudden catastrophe".

"No human efforts can win over God. If the heaven pours such a heavy rain on us, what can we do?"

the county head of Taojiang, Zhong Deji, said. But an official from the local Government blamed the meteorological bureau for inaccurate forecasts.

Floods in Yiyang have already killed 31 people. Officials in Hunan claim losses are around 8.4 billion yuan.

While the Yiyang Government was stressing the importance of self-support, they also welcomed overseas donations. They said they would need 500 million yuan to rebuild homes for the victims.

Meanwhile, in Paikou village, hundreds of workers were repairing an 80-metre gap in the embankment. Up to 50,000 farmers are homeless after the embankment was breached.

#### Ministry of Labor Lays Stress on Employment

SK1007020895 Beijing XINHUA Domestic Service  
in Chinese 1628 GMT 6 Jul 95

[By reporter Han Zhenjun (7281 2182 6511): "Ministry of Labor Urges Paying More Attention to Employment"]

[FBIS Translated Text] Beijing, 6 Jul (XINHUA) — Facing the current grim employment situation, the Ministry of Labor has urged the labor departments at various levels to further pay firm and better attention to employment, to adopt realistic and feasible measures to promote employment, and to cooperate with the departments concerned to arrange jobs for the enterprises' surplus staff members and workers and to allow them to do business at the grass-roots level.

It was introduced that our country's unemployment rate tended to rise lately. This year, our country has to employ 10 million laborers, the scale of rural laborers going from place to place continues to be expanded, and the task for arranging enterprises' surplus staff members and workers and allowing them to do business at the grass-roots level is very heavy.

At the national working conference on implementing the "Labor Law" which concluded today, the responsible persons of the Ministry of Labor urged that the labor departments of all localities should proceed from the overall situation and pay high and firm attention to employment. It is reported that from now on, our country will continue to bring employment into line with the social and economic development plan and to regard the control over the unemployment rate as all localities' key social and economic development targets. Localities should be encouraged to develop small and medium-sized enterprises of different economic sectors, particularly labor service enterprises, in an effort to increase work posts. Our country will positively set up and improve employment agencies in urban and rural areas, comprehensively strengthen the cultivation

of reserve technical workers and the training of in-service staff members and workers, and improve the employment training system and the system for training the army men transferred to civilian work.

To arrange new jobs for enterprises' surplus staff members and workers, the Ministry of Labor has implemented the "reemployment" project. From now on, the country as a whole will implement this project, comprehensively apply supporting means out of policy considerations, and offer various kinds of employment service means to offer reemployment services to jobless persons, particularly those who lose their jobs for more than six months and the enterprises' surplus staff members and workers without basic living guarantees.

The Ministry of Labor also urged to further ensure the orderly transfer of rural areas' surplus laborers, to implement the "project of transferring rural laborers in an orderly manner" within the areas where civilian workers come in and out, and to guide a proper transfer of rural laborers. Simultaneously, we should achieve the "trial development of rural laborers," gradually popularize the experiences gained from the trial work, and ensure to assimilate the rural surplus laborers on the spot and in the nearest areas to the maximum.

The Ministry of Labor also urged that under the unified leadership of the governments at various levels, the labor departments at various levels should positively cooperate with the departments concerned, adopt realistic and feasible measures, try every possible means to help the enterprises with difficulties extricate themselves from the strained circumstances, and realistically provide basic living guarantees for the staff members and workers of the enterprises that have gone bankrupt and the enterprises with difficulties as well as retired personnel.

#### Students To Spend Summer Teaching in Poor Areas

OW0907082795 Beijing XINHUA in English  
0713 GMT 9 Jul 95

[FBIS Transcribed Text] Beijing, July 9 (XINHUA) — Chinese college students will spend their summer vacation in a more meaningful way this year by helping eliminate illiteracy and promote science and technology in poor areas.

Some 50 thousand college students and vocational school students in east China's Fujian Province left for 10 poor counties over the weekend to offer help there.

They planned to teach illiterate people and provide medical service in these rural areas and to spread practical technology among local young people.



The Summer Vacational Plan of the students was designed to realize the goal of Fujian that by the year 1997, people under age of 45 across the province are generally literate.

Meanwhile, in northwest China's Shaanxi Province, more than 10 thousand college students started off to less developed areas of the province to help eliminate illiteracy and spread technical know-how there.

Nearly one thousand teachers and students from about 100 colleges and universities nationwide will receive a special college education in Yanan, China's revolutionary mecca during the early 1940s.

Cave University education as it was named includes replaying the "Long March" of 12,500 kilometers, a journey undertaken by more than 80,000 Red Army soldiers some 60 years ago, recalling memory of the Chinese People's Anti-Japanese Aggression War, and reliving the mass production movement during the war time.

The year 1995 is the 50th anniversary of the victory in the world anti-facist war as well as the eight-year Anti-Japanese war by the Chinese people.

Colleges and universities in Beijing, Shanghai, and other places across the country all held varied activities to commemorate the event and demonstrate patriotism.

#### **Association of Women Doctors Founded**

OW0707162295 Beijing XINHUA in English  
1555 GMT 7 Jul 95

[FBIS Transcribed Text] Beijing, July 7 (XINHUA) — The Chinese Association of Women Doctors was founded here Thursday, with Lin Jiamei, a noted pediatrician and the wife of late Chinese president Li Xian-nian, having been elected chairwoman.

Chinese President Jiang Zemin and Chinese Premier Li Peng both wrote inscriptions for the inauguration of the association.

Lin said that the association will promote exchanges between China's women doctors as well as mutual understanding between them and their counterparts in the rest of the world.

Fifty-two percent of China's medical personnel are women, according to Lin.

#### **\*Various Officials Discuss Party Strengthening**

95CM0239A Beijing BEIJING RENMIN LUNTAN  
[PEOPLE'S FORUM] in Chinese 8 Mar 95  
No 36, pp 15-21

[Unattributed report: "Collection of Excerpts From Speeches and Essays of Various Delegates"]

[FBIS Translated Text] **Attach Importance To Democratic Supervision — by Chairman Zhou Wenhua [0719 2429 5478], Heilongjiang Provincial Committee, Chinese People's Political Consultative Conference [CPPCC]**

Democratic supervision pertains to the party's health and purity and to the rise and fall, success and failure of the party's undertakings. Exercising democratic supervision is an important part of giving expression to socialist democracy and to the upholding and amplification of the democratic centralization system; it is also an idea consistently emphasized in Deng Xiaoping's theory on ruling party construction. Today, our party's administration and policy of reform and opening up are being tested and are challenged by attempts by Western hostile forces to "Westernize" and "divide" us. The most effective way to solve the problem of corruption caused by the ruling party's abuse of power is to implement effective supervision over party organizations and members. Henceforth, we must strengthen education and increase understanding, strengthen leadership, create good conditions, perfect the system, and set up mechanisms to give full play to the important role of democratic supervision in the construction of the ruling party.

**Pay Close Attention and Do Solid Work In Constructing Our Party — by Professor Song Tao [1345 3447], China People's University**

We must arm the CPC with Marxism, Leninism, and Mao Zedong thought. Today we are performing socialist undertakings, the ultimate goal being to achieve socialism, and to that end, we must arm the whole party with the theory on constructing socialism with Chinese characteristics and unite the party's thinking.

We must consciously implement the democratic centralization system. We must turn democracy into a system and a law, and make sure that this system and law does not change as leadership changes, and does not change as the leaders' views and attention shift.

We must rectify the party work style. The party must maintain close ties with the masses at all times and in all places; it must struggle for the interests of the people. Through party rectification, we ensure regular criticism and self-criticism within the party.

We must adopt firm measures to fight corruption. Today, some localities are already overrun by serious corruption, and the time has come for these areas to crack down vigorously on corruption. We cannot be lenient in curbing corruption; we must start with specific cases, educate the people, vigorously build an honest government, and do everything according to law.

The CPC must accept supervision. Criticism and self-criticism must be launched within the party; democracy must be amplified among the masses; and the principle of permanent coexistence and mutual supervision must be upheld with respect to the democratic parties, factions, and personages with no party affiliations.

**The Theme Is To Strengthen and Improve the Party's Leadership — by Gao Chenglin [7559 4453 2651], Theory Bureau of the CPC Central Committee Propaganda Department**

When studying Deng Xiaoping's theory on ruling party construction, we must revolve around one theme, and that is to strengthen and improve the party's leadership. This has been the issue most talked about by Comrade Deng Xiaoping, and the most substantial issue, since the Third Plenary Session of the 11th Party Central Committee. Deng Xiaoping said, "How to improve the party's leadership is an important issue laid before us, and if we do not carefully study and deal with it, we cannot uphold the party's leadership, nor can we enhance the party's prestige." Practice proved that only by strengthening and improving the party's leadership can party construction better adapt to the objective needs of the new era, reflect the characteristics of modern times, improve the party's governing ability and leadership standard, truly strengthen the party's leadership in the socialist market economy, and fundamentally reinforce its status as the ruling party.

**The Times Are Calling for Theoretical Thinking — by Jin Chunming [6855 2504 2494], Ph.D. Candidate Advisor, Party School of the CPC Central Committee**

Today, we are at the end of the 20th century, and in a certain sense, the development of human society is at a new crossroads. People of all nations are rethinking and making new choices of what they believe is the ideal social system based on their practical experiences. First, the abrupt changes in Eastern Europe and the collapse of the Soviet Union struck a heavy blow at the international Communist movement. Second, the world is moving toward multipolarization; no single pole is dominating the world. The failure of socialism in some countries has not resulted in the all-out victory of capitalism as some people had predicted. Third, the devel-

opment of a socialist theory with Chinese characteristics and the rapid development of the Chinese economy in the last 16 years under the guidance of that theory have brought a new dawn to human social development. Being at the forefront of human social development has put a greater demand on the Chinese nation, especially the CPC, and above all, it has put a greater demand on our theoretical thinking. Today, if we talk about studying and upholding Marxism and Leninism without giving thought to Deng Xiaoping's theory on constructing socialism with distinctive Chinese characteristics, we will be talking about ossified ideas and outdated concepts, or we will be engaging in meaningless talks. Conversely, if we insist on separating Deng Xiaoping's theory on constructing socialism with distinctive Chinese characteristics from Marxism, Leninism, and Mao Zedong thought, if we elevate Deng's theory to great heights, or if we turn it into a theoretical system independent of Mao Zedong thought, we will produce results contrary to our objective goal. Only by putting Deng Xiaoping's theory on constructing socialism with distinctive Chinese characteristic in its proper historical place as contemporary Chinese Marxism can we deeply understand and correctly grasp its meaning, and only then can we complete the party's and the nation's magnificent historical mission under the guidance of this correct thinking.

**Deng Xiaoping's Thesis on Party Construction Is a Scientific System — by Professor Zhang Zhong [1728 0022], Party Construction Department of the CPC Central Committee Party School**

A thorough review of the contents of Deng Xiaoping's thesis on party construction reveals clearly that it is a scientific system; it is also practical and timely.

1. It addresses a series of basic questions on how to strengthen the construction of the ruling party as the CPC makes the successful turn from focusing on political revolution to focusing on economic construction, and in turn it guides the rapid development of our undertakings to construct socialism with Chinese characteristics.
2. It sums up the experiences and lessons of the international Communist movement; it sums up the basic experiences of our party in the last 70-odd years, especially those created and developed in the course of reform and opening up.
3. It is a system inherent to party construction created and developed by the second generation of the CPC Central Committee's leading group — with Deng Xiaoping at its core — in the course of developing a socialist theoretical system with Chinese characteristics.
4. It was gradually formed and developed by our party amid turbulent international situations, when the

Communist movement sank to the low ebb; amid the opposition to capitalist liberalization, dogmatism, ossification; and amid the profound lessons of the dramatic changes in Eastern Europe and the collapse of the Soviet Union.

5. It was amplified and developed as the party led the people of this economically backward, great, Eastern nation to strengthen and develop socialism, and to strengthen and reinforce the leadership role of the ruling party.

**The Strategic Meaning of Deng Xiaoping's Ruling Party Theory — by Lin Jiangong [2651 1696 0361], Vice Chairman of the Standing Committee, RENMIN LUNTAN Editorial Department**

Upon seizing political power, and in order to reinforce its governmental position and increase its ability to rule, the proletariat party is faced with a fundamental task as it forges ahead with its socialist undertakings, and that is to strengthen its own construction. Years of practice prove that Deng Xiaoping's theory on ruling party construction is rich and strategically very important. Specifically:

1. Only by fully recognizing the essence and the historical place of the proletarian ruling party can we guarantee that the Communist Party will never change its direction despite the complicated and transient world situation.

2. Only by doing a good job in summing up our experiences and rectifying the internal order of the Communist Party can we guarantee that the ruling party has proper party style and will forever plant its roots among the masses.

3. Only by basing the ruling party on a system, strengthening its internal and external supervision, and running the party and the country democratically can we prevent the leading organs from succumbing to bureaucratic style.

4. Only by correctly handling our relations with foreign political parties and starting out with our own country's situation and following our own destiny can we guarantee that the ruling party will never be defeated in world politics and economic competition.

**Thoughts on the Communist Party's Theory on Government — by Jiang Huanhu [3068 3562 3275], Deputy Editor-in-Chief, DANGDAI SICHAO [MODERN IDEOLOGICAL TREND]**

On the issue of governmental concepts: The basic viewpoint of the Communist Party rule stems from Marxism. To strengthen our governmental concepts is

to increase our awareness of the proletariat's seizing and exercising of political power; it is to enhance our concept of completing the Communist Party's historical mission. Without such a concept, the Communist Party will lose the meaning of its existence. On the issue of ability to rule: Members of the Communist Party must enhance their ability to rule by submitting to the guidance of Marxism and by learning to go all out to construct socialism amid government practices. They must study what they do not already know, and they must learn economics from the experts. Today, the most important thing is to let ourselves be guided by the theory on constructing socialism with Chinese characteristics, to recognize and deal with the internal contradictions of a socialist society, and to gain the ability to keep those contradictions from seizing the initiative.

The Communist Party rule is a diverse, multilevel, multilink, organically combined, systematic project. It is the internal unification of the party's political, ideological, and organizational leadership. We must carry the party's leadership through to every unit — from the central to the local and all the way to the grassroots levels. Therefore, we must learn to give play to the state's ruling organs, the democratic parties and factions, the labor unions, the CYL, the Women's Federation, and other economic, cultural and social groups.

**Characteristics of the Ruling Party Theory in the New Era — by Assistant Professor Bu SiaoYe [0592 0556 2814], National Defense University**

Deng Xiaoping's theory on ruling party construction in the new era is rich and profound. It has 10 major characteristics: 1) On the basis of carrying forward and further developing Mao Zedong's thinking on party construction, it advances a new goal, principle, idea, and method in party construction in the new era. 2) It is timely and turns the party into a combat-worthy Marxist ruling party, a solid core that leads the people in their socialist material civilization and spiritual civilization construction. 3) It strengthens party construction and improves the party's leadership with the spirit of reform. 4) At this critical point in history, it emphasizes again and again putting the party's internal affairs in order. 5) It wraps tightly around the party's basic line and diligently strengthens the party's own construction. 6) It pays special attention to making system development an important part of party construction by starting out to restructure the system and tackling the system as a means to solve problems. 7) It makes honesty in government a key issue in strengthening party construction. 8) It "grasps with both



hands" and puts great effort into party construction. 9) The leading cadres head the tasks and strive to raise their own government and leadership standards. 10) It takes on a pragmatic attitude and puts the emphasis on construction and on getting things done.

**Practice Is the Most Prominent Characteristic —**  
by Vice Chairman Zhao Zongsan [6392 0112 0005],  
QIUSHI Magazine's Business Office

Comrade Deng Xiaoping's theory on ruling party construction is distinctly practical. It is crucial to the construction of socialism with distinctive Chinese characteristics that we truly understand this trait. One, we must insist on integrating basic Marxist principles with China's reality and establish the new theme of ruling party construction. Two, we must revolve tightly around the concept of "one center and two basic points" and emphasize all-out construction of the ruling party. Three, we must do everything in the people's interest and strengthen the party's internal and external supervision. In short, in strengthening its own construction, our party must diligently resolve the issue of for whom it is exercising this power and how it should exercise political power, so that the ruling party can maintain its inherent quality as the vanguard of the working class. It must do everything in the interest of the masses, never be alienated from the masses, and never turn itself from "public servant" into "master."

**The Essence of Socialist and Party Construction —**  
by Professor Feng Zhuoran [7458 0587 3554],  
Beijing Normal University

Upholding the socialist path and the lofty communist ideals is the reason and the value of our party's existence. Deng Xiaoping pointed out that "once upon a time, we socialists started a revolution because we wanted to struggle for the lofty ideals of socialism and communism. Today, we are engaging in an economic revolution, and we must still uphold the socialist path and the lofty ideals of communism. The younger generation in particular must understand this." Therefore, we must be clear about what is socialism and what is the nature of socialism.

Deng Xiaoping pointed out that "the essence of socialism is to liberate and develop the productive forces, eliminate exploitation and polarization, and ultimately achieve the goal of prosperity for all." This concise summation demonstrates that scientific socialism must make "prosperity for all" its basic goal, make "eliminating exploitation and polarization" its basic principle, and make "liberating and developing the productive forces" its basic mission. Party construction is a multifaceted and multilevel concept, but basically, it makes sure that

this goal, principle, and basic mission are upheld and carried through. Discussions of party construction without reference to those elements are without root or soul.

The Communist Party must lead the people to embark on the road to "prosperity for all." This is an inherent requirement of socialism. Party construction means making sure that the party's theory, line, and general and specific policies never depart from the basic goal of "prosperity for all." The party organs must firmly guarantee the realization of this goal; otherwise, we will not be adhering to the basic purpose of serving the people with our hearts and minds, and the Communist Party will not be the party it is meant to be.

"Eliminating exploitation and eliminating polarization" is the basic criterion in achieving "prosperity for all" and is also an important part of the essence of socialism. Therefore, we must curb the spread and the expansion of polarization and make party construction an important mission.

**Thoroughly Understand the Essence of Socialism —**  
by Professor He Junkang [0149 0689 1660], Beijing  
Foreign Language University

Thoroughly understanding Deng Xiaoping's thesis on the nature of socialism is essential to grasping Deng Xiaoping's theory on ruling party construction.

This scientific thesis is not limited to talking about the productive relations, nor is it just talking about the productive forces; instead, it emphasizes the dialectic unification of the productive forces and the productive relations. It talks about the decisive role of the productive forces but also attaches importance to the role of productive relations, and in turn it sums up the nature of socialism in a comprehensive way. "Eventual prosperity for all" is the goal of socialism. "Liberating and developing the productive forces" is an important part of the essence of socialism which should not be overlooked, but we are not just talking about the productive forces. The former sets the productive forces free from the productive relations which restrict their development; the latter needs productive relations that suit the development of the productive forces. "Eliminating exploitation and polarization" obviously refers to the productive relations. Only by upholding the principal role of the public ownership system and implementing the system of distribution according to work can we avoid polarization and exploitation. But we cannot talk about productive relations separately, apart from the productive forces; rather, we should determine what is the best kind of productive relations based on whether it facilitates the development of the productive forces and whether it promotes prosperity for all.

This scientific thesis explains dynamically that the realization of the essence of socialism is a long historical process. It is a process of contradictions between the productive forces and the productive relations amid which the essence of socialism continues to grow and develop. We are still at the primary stage of socialism; the productive forces are backward and the commodity economy is underdeveloped. But we will get to the intermediate and advanced stages later on, and at these different stages, the extent of development and the degree of maturity of socialism will be different, and the extent of realization and the concrete form of manifestation of socialism will also be different. Deng Xiaoping pointed out that "socialism itself is the primary stage of communism, and China is at the primary stage of socialism; it is an underdeveloped stage. Everything must stem from this reality, and all plans must be formulated based on this reality." (*Selected Works of Deng Xiaoping*, vol 3, p 252)

**Strengthening the Ruling Party's Construction Under Market Economic Conditions — by Zhao Jiaxiang [6392 1367 4382], party committee secretary and professor, Beijing University's Philosophy Department**

The construction of the ruling party — the Communist Party — means different things at different times and under different historical conditions. Given today's socialist market economic conditions, the theoretical construction of the ruling party must firmly uphold the guidance of Marxism; we must not diminish or refute the important status and the guiding role of Marxism. One, we must uphold the principle of integrating the development of the socialist market economic system and the construction of the socialist spiritual civilization, because market economic principle not only has positive effects but also negative effects on the socialist spiritual civilization. If we overlook this point and let the negative effects run rampant, we may bring serious consequences to society and to the party itself. Two, we must make clear that the working people are the masters in a socialist society; the working class (including the masses of intellectuals) is the leading class in a socialist country; the CPC is the leading core of China's socialist undertakings. Three, we must uphold the guiding principle of upholding the public ownership system as the main system while developing diverse economic components and the principle of the existence of diverse distribution methods while insisting that the system of distribution according to work is the main system. Abandoning the dominant roles of the public ownership system and the system of distribution according to work is abandoning the socialist direction, and the party's inherent nature will change.

**The Market Economy Is Compatible with the Construction of the Ruling Party — by Wang Ruisheng [3769 6904 3932], Ph.D. Candidate Advisor, Chinese Academy of Social Sciences [CASS] Graduate School**

Is the market economy compatible with the construction of the communist party (the construction of the ruling party, to be precise)? The answer is yes, the two are compatible, and in fact they must be compatible, because this is necessary in upholding the party's basic line and is also implied in the party's basic line. The greatest accomplishment in the 16 years of reform and opening up has been our making the establishment of a socialist market economy the goal in restructuring the economic system. We learned that we had to develop a socialist market economy at the primary stage of socialism, and this to a large extent answered Deng Xiaoping's repeated question of "what is socialism and how do we construct socialism?" But the question of how the market economy can coexist with the construction of the Communist Party, or how can the Communist Party construct itself under market economic conditions, still requires an answer. We must renew our studies, and in particular we must study contemporary Marxism, which is Deng Xiaoping's theory on constructing socialism with Chinese characteristics, and we must find the point where the market economy meets party construction—prosperity for all. We must continuously strengthen the party's ideological and political work, strengthen the party's discipline, eliminate corruption, and let the new generation of ruling party organs replace the old.

**Uphold and Develop the Democratic Centralization System — by Vice Chairman Di Rongkai [5049 2837 0418], Guizhou Provincial CPC Party Committee Propaganda Department**

The impact and the role of establishing and perfecting the socialist market economic system can be found in three areas: First, the development of the socialist market economic system gives expression to the rich result of upholding the democratic centralization system; second, it provides the material base for upholding this system; third, it adds new meaning to upholding this system.

Upholding and strengthening the democratic centralization system plays an effective role in promoting and guaranteeing the development of the socialist market economy. It guarantees the correct direction of development of the socialist market economy, gives full play to its positive role, and provides its development with a good social environment.

Today, to meet the needs of the development of the socialist market economy, we must diligently strengthen



education on democratic centralization, formulate and amplify various systems in the democratic centralization system, raise the decision-making standards of leading cadres at all levels, diligently protect the Central Committee's authoritativeness, abide by the law, heed all prohibitions, and ensure the implementation of the party's lines and general and specific policies.

**Uphold the Party Basic Line Without Swaying — Guo Xiquan [6753 6932 2938], Group Leader of the CPC Central Committee Commission for Discipline Inspection Dispatched to the Ministry of Construction's Disciplinary Group**

In his South China tour speech, Comrade Deng Xiaoping emphatically urged us to "uphold the basic line for a hundred years without budging." Only by upholding this line can the people believe in you and support you. How do we make sure that this line will be upheld forever? One, the leading group must be strong; two, the contingent of cadres must be combat worthy; three, the party's work style must be very strict; four, the rules and systems must be practical and feasible. This is a four-in-one, organically linked construction. Numerous facts prove that by accomplishing those four things, we can forge ahead and our undertakings will be developed, the party's mission can be accomplished, and there will be one miracle after another.

**Continue To Seize the Basic Line — by Li Shikun [2621 1102 0981], vice president and professor, Beijing University's College of Marxism**

Upholding the party's basic line is fundamental to the construction of the ruling party. Our party suffered setback and defeat because of mistakes in the party line, such as the "leftist" charges of right opportunism in the revolutionary war years. But our party has also suffered setback and failure despite the correct party line, because we failed to resolutely uphold that line. For example, the failure to implement the correct line formulated by the Eighth National Party Congress led to the serious mistake of the "Cultural Revolution." In 1987, the 13th National CPC Congress, presided over by Deng Xiaoping, advanced the theory of the primary stage of socialism and the party's basic line. Practice proved that the formulation of this basic line was not easy, but that the implementation of this basic line was even more difficult. It not only is a process of struggling against all erroneous tendencies but is also a process of eliminating all sorts of problems and overcoming dangers and obstacles. For this reason, we must have a strong, effective, and mature Marxist party. The most fundamental and most important thing in ruling party construction is to uphold the party's basic line without swaying. "Go on, go on firmly and

steadfastly." (*Selected Works of Deng Xiaoping*, vol 3, p 307)

**Uphold the Party's Mass Line — by Liang Yunfu [2733 0061 4395], Labor Union Vice Chairman, Chinese Encyclopedia Publishing House**

Deng Xiaoping's idea on upholding the party's mass line is an important part of his theory on ruling party construction. From the day of its birth, the CPC has made serving the people wholeheartedly its purpose and has put itself among the masses. The very essence and the core of the mass line is to forge intimate ties between the party and the people, and "the ruling party's style and the relationship between the party and the masses are issues critical to the life or death of the party." Back in the days of the "Seventh National CPC Congress" and the "Eighth National CPC Congress," in the two political reports and the two reports on constitutional amendments, it was pointed out that the mass line was the party's fundamental political, organizational, and basic ideological line. That linked the party's political, organizational, and ideological lines with the mass line, and as a result the Marxist tenet that the people are the creators of history was applied to the party's activities to guide the party to one victory after another, and the party in turn was toughened and further developed. Historical experiences repeatedly proved that "whenever the party's mass line is properly implemented and party-people relations are close, our undertaking will forge ahead smoothly, and whenever the party's mass line is not properly implemented and party-people relation is impaired, our undertakings will suffer setbacks" (the 6th Plenary Session of the 13th CPC Central Committee's "Decision on Strengthening the Party's Relations With the Masses.") Clearly, upholding the mass line is fundamental to whether the ruling party can strengthen its own position.

**Boldly Explore, Reach New Heights — by Xu Qibin [1776 0796 2430], Chairman and General Manager, Sichuan Caoyutan Hydroelectric Shareholding Co. Ltd.**

As the policy of reform and opening up becomes increasingly thorough, I realize deeply that Deng Xiaoping's theory on constructing socialism with distinctive Chinese characteristics is the most effective ideological weapon guiding our work at the Caoyutan Hydroelectric Shareholding Co. Ltd.

Resolutely implementing the party's basic line along with other various general and specific policies is the principle we at Caoyutan have always adhered to in our construction projects and in the company's development. In our actual work, we respect science



and talents, and we always strive for quality and efficiency. We suit measures to local conditions and focus on one main trade while diversifying our business, striving to achieve the goal of comprehensive and all-out development. We let ourselves be guided by the market, change our operating mechanisms, and implement the shareholding system to suit the company's development. We raise capital from different sources to guarantee the success of our key projects.

We boldly explore and properly deal with the problems of relocating and resettling displaced families, creating a good external condition for the water conservancy projects and the company's development. Our basic ideology is to "move those that can be moved, settle those that should be settled, and help everyone prosper." We embark on the road to "put agriculture first, make land our base, and resettle the people in agriculture," changing the old way when water conservancy projects forced people to move in with their friends and relatives or forced them to take nonagricultural jobs. We help the displaced families make plans to get rich; we guide them to embark on the road to prosperity by pursuing different occupations while developing agricultural production. As a result, the displaced families' lives have changed dramatically, and their pace of becoming relatively well-off has been accelerated.

We take aim at the overall picture, plant our foothold in local reality, rely on the projects while serving the projects, and do a good job with comprehensive development. We rely on various existing conditions in the water conservancy projects, and on those bases, we suit measures to local conditions to set up 11 economic entities, including a hydroelectric development company, tourist company, mineral water plant, carbon element plant, mechanized construction company, and a building and installation company. We have formed a large shareholding conglomerate with 64.72 billion yuan in investments, and from a company that employed a few dozen, we now employ more than a thousand workers. We promote the all-out development of various undertakings and strive to link tracks with the national and even the world economic environment.

**Seize the Old Revolutionary Bases and Focus on the Construction of the Ruling Party — by Sichuan Province's Bazhong Prefectural Party Committee and Bazhong Prefectural Administrations**

Old revolutionary bases generally refer to the relatively independent political, economic, and cultural regions created by the party in the form of armed regimes during the revolutionary war years. In Deng Xiaoping's discussions, he said, "the basic mission of socialism is to develop the productive forces," "poverty is not

socialism," and "we must allow and encourage some regions and some people to get rich first, and they in turn will bring prosperity to more and more regions and people." In there is buried the macro ideological theory pertaining to the underdeveloped regions, which include the old revolutionary bases. Historical experiences also proved that upon seizing political power and emerging as the ruling party, the proletariat must attach great importance to the construction of the old revolutionary bases, and it must abide by the following six principles:

1. Party committees and government at all levels must give strategic priority to the reform and opening up and the modernization of the old revolutionary bases.
2. We must insist on being guided by liberated ideas, find advantages amid the disadvantages, seek balance amid imbalance, and develop in leaps and bounds.
3. We must formulate practical and feasible economic development strategies and lay a solid foundation for regional economic and social developments.
4. With respect to specific economic operations and actual procedure, we must insist on setting priorities, focus on eliminating "bottlenecks," and greatly increase society's economic volume.
5. We must insist on eliminating poverty and ignorance, focus on improving the workers' quality, and greatly mobilize the enthusiasm of production and management, and the creativity of legal persons and workers.
6. We must insist on seizing with both hands, be tough, and give full play to the grassroots party organizations' role as a combat force.

**Strive To Catch Up, Accelerate the Economic Development of the Old Liberated Areas — by Secretary Wang Jiuhu [3769 0036 4375], CPC Shandong Province's Linyi City Party Committee, and Chairman Li Yanhua [2621 1693 5478], CPC Linyi City Party Committee Propaganda Department**

In recent years, we wrapped around the reality of Linyi City's lack of economic growth, started out by recognizing the basic issue of the nature of socialism, revolved tightly around the main line of accelerating the development of the productive forces, diligently studied and put into practice Comrade Deng Xiaoping's economic ideas, and vigorously promoted economic development. In 1993, the city's GNP topped 16.6 billion yuan, 5.5 times more than 1978's and realized the goal of quadrupling the GNP ahead of schedule. The gross value of industrial and agricultural output [GVIAO] was 45.4 billion yuan, a 9.9-fold growth;

peasant per capita net income was 859 yuan, a 9-fold increase. It is estimated that this year's GNP will reach 20 billion, the GVIAO will top 58 billion yuan, and peasant per capita income will exceed 1,000 yuan [figures as published]. We can use the phrase "four clear and four insist" to sum up our preliminary lesson:

To be clear on liberating and developing the productive forces is the main line of Deng Xiaoping's economic thought. To insist on deepening the understanding of the nature of socialism, liberating thinking, and embracing new ideas is the prerequisite to accelerating development.

To be clear about developing the socialist market economy is the core of Deng Xiaoping's economic thought. To insist on deepening reform and setting up a modern enterprise system is the key to promoting economic development.

To be clear about the dependence of economic development on scientific and technological progress is the substance of Deng Xiaoping's economic thought. To insist on promoting scientific and technological progress and vigorously developing education is an important part of helping the economies of the old revolutionary bases take off.

To be clear about a comprehensive balance and to focus on the important is the important strategic principle of Deng Xiaoping's economic thought. To insist on seizing the critical links that affect and constrain the old revolutionary bases' economic development, focusing our energy, and making important breakthroughs is an effective means to accelerate economic development.

**Shenzhen SEZ's Party Ideology Construction — by Shiao Hanqing [6730 3352 7230], professor and Shenzhen City CPC Committee Standing Committee Member and Propaganda Department Chairman**

In the more than 10 years since the creation of the Shenzhen Special Economic Zone (SEZ), party organizations at all levels have put a relentless grip on party member education and on shoring up the party base as the core content of the party's ideological construction. They have linked up with the SEZ's central tasks at different developmental stages and have educated the party members and cadres on the theory of constructing socialism with Chinese characteristics. Currently, the city has 6 formal city and district party schools and 114 grassroots after-hours party schools. In recent years, we have held more than 3,000 sessions of theory training classes of all types and have trained more than 300,000 party members and cadres. More than 96 percent of the city's party members and leading cadres at above bu-

reau level and 82.2 percent of the party members and cadres at the section level have attended party school training sessions to study *Selected Works of Deng Xiaoping*, vol 3. We have set up a theory-studying core group system and a party day activity system for leading groups at all levels. Through a variety of educational training, the masses of party members and cadres have attained a higher level of understanding of ideologies, politics, theories, and policies. Our approach is: One, we strengthen ideological education and arm ourselves with theory to lay a firm ideological foundation for the SEZ's reform and opening up and economic development. Two, we do a good job with the systematic project of spiritual civilization construction to promote the SEZ's all-out social development. Three, given market economic conditions, we seize on education to fight corruption and ensure honesty in government and guarantee purity in the party contingent. Four, we renew the ways and means of the party's ideological construction under the new market economic conditions, replace indoctrination with guidance, put the emphasis on base-building, and use a variety of methods to make education a joy.

**Diligently Strengthen Grassroots Party Organization Construction — by Deputy Secretary Wang Yuying [3769 3768 5391], Beijing Yanshan Petrochemical Company Party Committee**

According to Deng Xiaoping, "If China is going to have a problem, it will come from within the Communist Party. We must be soberminded about this." How do we integrate that instruction with Beijing's Yanshan Petrochemical Company's reality to strengthen grassroots party organization construction? One, we must correctly understand and handle the relationship between strengthening grassroots party organization and reinforcing the ruling party's status to give full play to the grassroots party organizations' role as a combat force and the party members' vanguard role. Two, we must correctly understand and handle the relationship between focusing on economic construction and strengthening party construction and guide the cadres and staff and workers to continuously increase their consciousness about going all out to implement the party's basic line. Three, we must correctly understand and handle the relationship between setting up a socialist market economic system and upholding the democratic centralization system; we must uphold the principle of subordinating the interests of some to the interests of all, the principle of emphasizing both economic and social benefits, and the principle of ensuring long-term as well as immediate benefits. Four, we must correctly understand and handle the relationship between reform, opening up, and enlivening and enforcing and strengthening



party discipline; we must strengthen the party's discipline and vigorously build an honest and hard-working government. When educating the cadres and party members, we must be firm on politics, be industrious and practical, seek unity and be cooperative, explore and forge ahead, and serve the people with our hearts and minds.

**Utilize the Right People and Emphasize Training —  
by Deputy Secretary Zhou Guofeng [0719 0948  
6265], Guangxi Province's Beihai City Party  
Committee**

Comrade Deng Xiaoping said, "As far as the ruling party is concerned, if the party is to rein in the party, the cadres are the key, because many party members are serving as cadres, both high-ranking and low" (*Selected Works of Deng Xiaoping*, vol 1, p 328.) Putting the right people to use and strengthening education and training are the urgent tasks before us. We should pay attention to the following if we want to put the right people to use and make sure that leadership power remains in the hands of people who are faithful to Marxism: 1) To choose the right people, we must abide by the principle of the "four modernizations" and choose the correct and the best leading cadres. We must uphold the political viewpoint and put doing things in a revolutionary way first. We must uphold the strategic viewpoint to make use of more educated and younger cadres. We must uphold the practical viewpoint and observe and train the cadres amid practice. 2) We should educate and train, strengthen the study of Marxism, and raise the standard of the leading cadres at all levels on Marxist theory. We must emphasize the training of cadres who are not engaged in production. We must actively create conditions and vigorously encourage them to study Marxism on their own in their spare time. We must strengthen the training of leading cadres recently put on the jobs, encourage them to study the party's line, general and specific policies, and the professional and management know-how relating to their jobs, so that they can meet their job requirements as soon as possible. 3) We must strengthen the party's internal and external supervision; strengthen the construction of an honest government; eliminate the corrupt elements, the opportunists, and the turncoats within the party contingent; and create a good environment for the talents who are loyal to Marxism.

**\*Vice Premier Views Heavy Student Study Load**  
95CM0302B Beijing RENMIN JIAOYU [PEOPLE'S  
EDUCATION] in Chinese 4 Apr 95 No 367, pp 3-4

[Article by Vice Premier Li Lanqing (2621 1526 3237):  
"Let Us Make Reducing the Excessively Heavy Study

**Load of Middle and Primary School Students a Key  
Task for This Year"]**

[FBIS Translated Excerpt] The excessively heavy studies load of secondary and primary school students can clearly be seen when some schools casually increase the number of class hours, teach more than the curriculum requires, add to the amount of home work, give frequent quizzes and tests, and generate innumerable study and reference materials. Competition over academic subjects is widespread, with schools competing to be "olympic" schools or classes, forcing students to learn faster than they are able to, all of which violates the government's education regulations. Investigation shows there are serious dangers in the excessively heavy studies load that secondary and primary school students have to carry. First, it affects the students' health. Second, it creates an extra heavy psychological burden on students. The heavy demands of teachers, the numerous difficult home work assignments, and the frequent testing, all place serious psychological pressure on secondary and primary students causing some of them to even lose confidence in their studies. Third, the excessively heavy studies burden affect students in terms of developing their own interests and aptitudes.

This erroneous way of doing things, which is contrary to education objectives and school regulations, is distorting the nature and mission of basic education, robbing children and youth of their innate enthusiasm and interest, seriously obstructing their overall, lively and self-motivated development, and inhibiting the overall development of basic education. In the interests of the physical and mental health of a whole generation of youth as well as the future of China and of its people, we must adopt resolute measures to earnestly reduce the extra heavy studies load on secondary and primary school students, so that we can educate and nurture hundreds of millions of students who will become builders of and successors to the socialist enterprise, and who in terms of ideology, knowledge and health, can meet the challenges of the 21st century.

The crux to solving the problem of an excessively heavy studies load on secondary and primary students lies in changing our thinking toward and updating our concepts of education. An excessively heavy studies load on students reflects the influence of the traditional and outdated educational philosophy. We must change the narrow concept that talent only comes by studying in university and becoming specialists and experts. In 1985, the central government decided that educational system reforms should be aimed at producing three types of talent: namely, workers in industry and commerce, scientific-technical personnel, scholars and experts, and administrative management personnel. These are talents



needed for socialist modernization. Therefore, basic education must reject the model used for many years of "educating students to pass examination," rectify the tendency of over-emphasizing the importance of the rate of graduation, and build a sound foundation for training each type of personnel. With regard to the quality of education, some comrades think that quality means straight memorization and scoring high marks in examinations. These comrades, in trying to develop the so-called "quality" by adding to the students' studies burden, will very likely end up with students with "high grades but low ability" who are not suitable to the demands of the socialist market economy. A quality basic education means that students should be able to appropriately develop their character, intellect, and health. Our goal is to nurture students who, as the yet "unfinished products," can grow to become talented people with a correct concept of life and of the world, with knowledge based on facts, with a relatively strong ability to analyze and solve problems, and with a capacity to be creative and innovative. This type of quality requires that we reduce the excessively heavy studies load on the students so that they will have more freedom and time to develop their special skills and abilities gained through nurturing their ideology and creative spirit. [passage omitted]

### Symposium on Deng Xiaoping Party Building Theory

#### Zheng Mengxiong Opening Speech

95CM0238A Beijing RENMIN LUNTAN [PEOPLE'S FORUM] in Chinese 8 Mar 95 No 36, pp 10-11

["Opening speech" by Zheng Mengxiong (6774 1125 3574) at Shaoguan symposium on Deng Xiaoping's Theory of Building the Ruling Party]

[FBIS Translated Text] Comrades: The Symposium on Deng Xiaoping's Theory of Building the Ruling Party is now open in Shaoguan.

This symposium was suggested by Yang Chengwu [2799 2052 2976] and other elder comrades and sponsored jointly by the editorial department of RENMIN LUNTAN [PEOPLE'S FORUM] and the organizational committee of the convention on Deng Xiaoping's ideology and theory of the Chinese Association for the Education of Cadres. Attending this symposium are leading comrades of party and government bodies, well-known elder comrades of the party, famous national experts and scholars, and comrades of the business circle. This symposium has gained the great concern, attention, and support of party and government leaders. Vice Premier Rong Yiren [2837 3015 0088]; Lei Jiejing [7191 3381 8825], vice chairman of the Standing Committee

of the National People's Congress [NPC]; Wu Xueqian [0702 1331 6197], vice chairman of the Chinese People's Political Consultative Conference [CPPCC]; and elder comrades including Li Desheng [2621 1795 3932] and Yang Chengwu [2799 2052 2976] wrote inscriptions for the symposium and sent letters and telegraphs of congratulation. We are especially honored that Comrade Song Ping [1345 1627], Yang Rudai [2799 3067 1486], Zhou Wenhua [0719 2429 5478], Wang Dingguo [3769 1353 0948], and Xu Bin [1776 2430] are present today at the symposium and will give us guidance. Comrade Gao Di [7559 3695], director of "People's Forum," planned to come today to preside over the symposium, but he cannot make it because he does not feel well and has sent a letter instead to greet everyone here. On behalf of the sponsors here I extend a warm welcome to leading comrades, elder comrades, and all other participants.

This symposium has gained great concern and vigorous support from the Guangdong Provincial CPC Committee, the Shaoguan Municipal CPC Committee and Government, the Hunan Provincial CPC Committee, and the departments concerned. On behalf of the sponsors, I thank them wholeheartedly!

Soon after the New Year's Day of 1995 was over, we came here to attend the symposium on Deng's Xiaoping's theory of building the ruling party. The timing is great, and it means a lot. In September 1994, the Fourth Plenary Session of the 14th CPC Central Committee adopted the "Decision on Several Important Issues on Strengthening the Building of the Party," pointing out that it is a "great new project." In October 1994, the first and second volumes of the "Selected Works of Deng Xiaoping" were reprinted and distributed. In mid-December, the CPC Central Committee and the departments concerned held a symposium to study and discuss the "Selected Works of Deng Xiaoping" and the theory of building Chinese-style socialism. Comrade Hu Jintao [5170 6930 3447] and Li Luanqing [2621 1526 3237] made important speeches at the symposium. They set forth the task and demand of deepening the study, research, and propaganda on the theory of building Chinese-style socialism. A mass campaign for studying, researching, and publicizing the theory of building Chinese style socialism is forming throughout the nation. The symposium on Deng Xiaoping's theory on building the ruling party under this circumstance will definitely play a positive role in helping us to study and master Deng Xiaoping's theory of building the ruling party, further implement the guidelines of the Fourth Plenary Session of the 14th CPC Central Committee, and better fulfill the glorious and arduous task of 1995.

Studying and mastering Deng Xiaoping's theory of building the ruling party is an extremely important issue which has both immediate and far-reaching significance and is a primary issue with a direct bearing on the success and failure of undertaking socialism. What is socialism? Politically, the CPC should be the leader. Economically, public ownership should dominate with the development of various other economic factors. In distribution, the ultimate goal is common prosperity while allowing some people to become rich first. The most important and basic rule in practicing socialism is the leadership of the CPC. Without the leadership of the CPC, socialism is nothing but empty talk. The drastic change of Eastern Europe and the dismembering of the Soviet Union has taught us a historic lesson that although the collapse of many socialist countries was attributed to different factors, the primary cause was that the leadership of the Communist Party in these countries had problems and lost their ruling status. The undertaking of China's socialist modernization is doing very well and the situation of the country is very stable. This is exactly because of the glorious, great, correct leadership of the CPC. Of course, under the new circumstance, our party also faces many new situations and has many new problems. It needs to continue to strengthen and improve its leadership. We believe that as long as all party members conscientiously study and master Deng Xiaoping's theory of building the ruling party and strive to do a good job in the building of the party, China will be able to stand tall in the east of the world, withstand the tests of all dangers, and be a winner forever.

The Decision of the Fourth Plenary Session of the 14th CPC Central Committee points out: Under the constantly changing world situation and in the midst of the great changes resulting from the reform, opening up, and modernization in China, a great new project is to build the party into a Marxist political party that is armed with the theory of building Chinese style socialism, that wholeheartedly serves the people, that is completely stable ideologically, politically, and organizationally, that can withstand all risks, and that always stays ahead of the times. It is a project initiated by the second generation of central leadership centering around Comrade Deng Xiaoping and carried on continuously by all members of the CPC under the guidance of the third generation of central leadership centering around Comrade Jiang Zemin. The purpose of our symposium is to study conscientiously Deng Xiaoping's theory of building the ruling party, to discuss ways to build a better Marxist political party demanded in the Decision, and to contribute to the great new project. Deng Xiaoping's theory of building the ruling party has very rich content. It includes upholding and improving the party

leadership to enable the CPC to become the strong core of leadership for socialist modernization; liberating people's minds, seeking truth from facts, and adhering to the correct line of ideology; correcting long-time leftist errors, opposing bourgeois liberalization, guarding against rightism, focusing mainly on preventing leftism, and increasing the level of determination in upholding the basic line of the party. Also it encompasses reforming the leadership system of the party, improving party rules and regulations, and ensuring that inner party life is democratic and systematic; upholding and perfecting the system of democratic centralization and increasing party unity. It also includes carrying out the principle of "four modernizations" of the contingent of cadres and creating a contingent of spirited leaders; and managing the party according to strict rules, opposing corruption, and strengthening party discipline. These are important developments of the theory of party building. They have provided a clear direction for strengthening party building. As long as our discussions center around Deng Xiaoping's theory of building the ruling party, we will have results and make a success of the symposium.

We hope that you pay attention to two points during the discussion. One is to adhere to the principle of linking theory to practice. Comrade Deng Xiaoping once pointed out: "The study of Marxism-Leninism must be thorough and useful." To make the study useful, we must link it to reality. We should adopt the same attitude in studying and discussing Deng Xiaoping's theory of building the ruling party. By combining theory with practice, this symposium is trying to find answers to new situations and questions arising from party building; especially how to use the theory of building the ruling party to accelerate and do a better job in the reform of state owned enterprises, the development of the rural economy, and ideological progress. Pursuant to the suggestion of Comrade Yang Rudai, this symposium will introduce the economy of some areas including Huaihua, Hunan. The other point is to speak freely without inhibitions. We have received over 340 theses. Many authors have spent a lot of time on their theses and the quality of their theses is fairly high. Due to the time limit, only a few theses will be read at the symposium. We hope you understand. At the symposium, participants should air their views fully, study from each other to complement each other and grow together. Politically we should be in line with the CPC Central Committee and academically we should advocate "letting a hundred schools of thought contend." Through discussions, we should unify our understanding in accordance with Comrade Deng Xiaoping's theory of building Chinese-style socialism and the basic line of our Party. In sum, this symposium must be earnest, practical, democratic, united, and harmonious.



We believe that with the concerted efforts of all participants, this symposium will be a great success.

#### Yang Rudai Speech

95CM0238b BEIJING RENMIN LUNTAN [PEOPLE'S FORUM] in Chinese 8 Mar 95 No 36, pp 12-13

[Speech by Yang Rudai (2799 3067 1486) at Shaoguan symposium on Deng Xiaoping's Theory of Building the Ruling Party]

[FBIS Translated Text] This symposium is held at a time when the reform, opening up, and other undertakings of construction are developing in depth; the Fourth Plenary Session of the 14th CPC Central Committee adopted the "Decision on Several Important Issues on Strengthening Party Building"; and all members of the CPC are working together to improve party building. It is of great significance that we are all gathered here to study and discuss Comrade Deng Xiaoping's theory of building the ruling party and to explore the issue of party building under the new situation.

Having this symposium in the old revolutionary district of Shaoguan and having so many old revolutionary comrades attending the symposium easily remind us of the past experience of how our party grew and developed continuously through self improvement. During the period of democratic revolution, the first generation of central leaders centering around Comrade Mao Zedong combined the tenets of Marxism with the reality of Chinese revolution to come up with the Mao Zedong Thought. They also set forth a correct line of the party, which solved the problem of how to build a united, well disciplined, and brave proletarian political party that could fight in old China where small-scale production was everywhere, thereby leading to the great victory of Chinese revolution. In the new historical period, the second generation of central leaders centering around Comrade Deng Xiaoping reviewed positive and negative experiences in socialist construction; insisted on combining Marxism with the reality of China and the characteristics of the era; and carried forward and developed Mao Zedong Thought to come up with the theory of building Chinese-style socialism. In addition, they set forth the basic line of the party, carried out party building in strict accordance with the political line, and established a rich party building theory. Today, the third generation of central leaders centering around Comrade Jiang Zemin consider party building as a great new project to be carried out continuously. The Fourth Plenary Session of the 14th CPC Central Committee summarized Comrade Deng Xiaoping's theory of building the ruling party into seven areas, which concern the enrichment and development of Mao Zedong Thought on the theory of party building and which have provided

a clear direction for us to strengthen and improve party building in the new period. We must conscientiously study the theory, carry out in-depth discussions and research, keep it closely tied to reality, and apply it to the reality of party building work.

A salient feature of Comrade Xiaoping's ideology and theory is that it is closely tied to the reality of present China and the trend of the times. A theme penetrating Comrade Xiaoping's ideology and theory is seeking truth from facts. It is precisely because of this that Comrade Xiaoping's ideology and theory reflects the trends so well, why it is so focused and valuable as a guidance, as well as being so full of vitality. It is a Marxist theory of contemporary China that integrates the CPC and all nationalities of China. During today's study of Comrade Xiaoping's theory of party building, we ought to study Comrade Xiaoping's style, keep a close tie to the conditions of the times, and strive to solve the new problems arising under the new situation.

The world we are in today is constantly changing. The political world is also undergoing the most complicated and drastic change since World War II. A proletarian political party is different in nature from a capitalist political party. It represents the interests of the overwhelming majority in ruling and directing leadership function and responsibility. Its power in the management of the country and social life is also greater. Because of this, the change in its ruling status is extremely important to the fate of the country and the people. It is precisely because of this that changes in the status and function of a proletarian political party have the greatest repercussion and the most profound influence on the domestic and international political situation. The political parties of the former Soviet Union and East Europe did not withstand the test and resulted in the fall of the party and the state. This is the most profound lesson in the history of the international communist movement.

The CPC is a large Marxist party which has over 70 years of history, over 50 million members, and which leads 1.2 billion people. It has not only defeated counterrevolutionaries at home and abroad and founded a new China, but also successfully guided reform, opening up, and modernization. It has found a Chinese way to build, consolidate, and develop socialism in a large, economically very backward country. Since it has developed the economy, improved the people's living standards, increased national strength as a whole, and enjoyed support from the people, it has withstood the test of domestic and international political disturbances. Facing the stormy and unstable situation of the world, the CPC should do a better job in leading the people in achieving the great goal of modernization which would enable the Chinese nation to stand tall as a stronger and



more prosperous nation among all nations in the world in the 21st Century. To do so, the CPC of China must continue to adapt to the changing situation, to strive to raise through self improvement its ruling ability and standards, and to consolidate its ruling status. This is the only way to insure permanent victory.

Currently, party building is facing a gradually unfolding brand-new issue, which is the building of a socialist market economic system set forth by the 14th Party Congress. The new economic system we are building is an integration of the basic socialist system and the market economy. It is not the same as the planned economic system which was implemented for many years in the past, nor is it the same as the capitalist market economic system. Instead, it is an unprecedented great invention. Building and perfecting this new economic system is a profound social transformation. As this effort deepens, a lot of unforeseen and unexpected problems will follow. To closely adhere to the CPC's basic line and center around the issue of economic construction while strengthening party building, we must face these problems, strengthen and improve party leadership, adapt to and accelerate the smooth development of modernization, and enable our party organizations at all levels to really become a solid leading nucleus which is good at controlling the socialist market economy.

Facing the great historical changes of the world and China today, I think that we need to use Comrade Xiaoping's theory on party building to continue to thoroughly study and resolve the following issues that affect party building and party leadership.

First is how to raise the level and ability of the party as a whole to exercise leadership over economic construction. Economic construction is the center of the whole party. To improve party building in light of economic construction, the most important thing is to improve the ability of party committees at all levels to exercise leadership over economic construction. As the role of market grows in the distribution of resources, the area and ratio of direct management through planning are shrinking. Things which we are familiar with have become or are becoming obsolete while things which we are not familiar with and which we need to learn are growing in number. Solving these problems is not an issue limited to the economic sphere. In fact it is a question of whether and how an economically and culturally backward country can build socialism. It is a test for the ability and standards of our party being able to lead the market economy and modernization. We should conscientiously study Comrade Xiaoping's theory on socialist market economy and learn from advanced experience and scientific knowledge concerning market economic management and modernized con-

struction. Through such study and learning we should strive to raise our ability and standards for solving the above mentioned problems in practice.

Second is how to raise the standards of the party as a whole for democratic and scientific decisionmaking. Comrade Xiaoping pointed out in 1957: "Our party is a ruling party with high prestige. A large number of our cadres are in leading positions. Who can make big mistakes in China? The CPC. The influence of its mistake is also the greatest. Because of this, our party must maintain sharp vigilance. The Constitution has provisions for party leadership. To do a good job in leading, our party should continuously overcome subjectivism, bureaucracy, and sectarianism, accept supervision, and expand the democratic activities of the party and the state." These words of Comrade Xiaoping were later confirmed by both positive and negative economic experience. Even today these words are still words of caution to us. After the Third Plenary Session of the 11th CPC Central Committee, Comrade Xiaoping summed up experiences like that of the "Great Cultural Revolution" and led the party in solving the problem starting with the reform and improvement of the leadership system. The "Decision of the CPC Central Committee on Strengthening the Ties Between the Party and the People" and the recently adopted "Decision on Several Major Issues on Strengthening Party Building" set forth important measures to uphold and improve the system of democratic centralization in order to provide a guarantee for the democratic and scientific decisionmaking of the CPC through the reform and building of a system. We should conscientiously study ways in which to apply a series of principles and requirements for democratic and scientific decisionmaking to the real operations of systems, standards, and procedures.

Third is how to increase the ability to control and coordinate social conflicts and to maintain a high speed in the sound and stable development of society. Under the condition of the socialist market economy, while the basic interest of the people remains unanimous, the emergence of different interest groups is inevitable. Different interest groups will have certain expectations and demands on the legal system and policies that cater to their interests. Their political and legal involvement will increase daily. Deepening the reform is bound to affect the readjustment of a interest situation and its relation to all fields. Plus the conflicts between the new and the old systems, and the conflicts reflected in different aspects of social life are very complicated. On the one hand, we should quickly straighten out the chaos and confusions occurring during the transition of the new and the old systems and resolutely attack the opposition force which tries to interfere. On the

other hand, we should quickly and efficiently transfer to policy-making organizations people's wishes, demands, suggestions, criticism, and supervision. This should be done through normal channels of communication between the party and government and the people, through the system of the people's congress, the system of multi-party cooperation and the political consultation led by the CPC, and other normal democratic legal systems. We should prevent various "mass issues" from converging into "street politics" and adversely affecting stability. The leading cadres of the party should know how to observe these problems in a political manner and to handle them appropriately.

Fourth is how to achieve the purpose of the party — serving the people — and maintain honesty, and oppose corruption under the condition of the socialist market economy. With regard to the general principle and orientation and the basic requirements of CPC members in this regard, Comrade Xiaoping's theory and the rules of the CPC Central Committee are consistent and clear. But in reality, we have not always done a good job. Some problems have been spreading in recent years and causing great concerns. I think that there are only a small number of really corrupt criminals. They are not tolerated by the party, the state, or the people. This is an issue for the discipline inspection department and political and judicial organs to investigate and handle in strict accordance with law and discipline. Another less obvious problem needs our attention. That is the generally negative and corrupt mood of society. For instance, faith in communism and socialism is wavering; the idea of the party and the concept of serving the people are weakening; money worshipping and individualism are expanding; formalism, subjectivism, and bureaucratic work style are growing, etc. These things are quickly eating away the body of party organizations and the soul of party members. They are seriously damaging the prestige of the CPC among the people. But it is very difficult to correct this problem. How to effectively overcome and prevent these negative and corrupt practices is a very difficult task which the workers of party building must make great efforts to accomplish.

#### **\*Sociologist Reviews Causes of Rising Crime Rate**

95CM0303A Shanghai SHEHUI [SOCIETY]  
in Chinese Apr 95 No 123, pp 4-5

[Article by Deng Weizhi (6772 0251 1807), renowned sociologist and vice chairman of the Democratic-Progressive Party Central Committee: "Controlling Crime Is Like Controlling Prices"]

[FBIS Translated Excerpt] In recent years, the crime rate in China has increased by a large margin. The rate

of increase is greater than the rate of economic growth, and greater than inflation. In order to enhance a feeling of security among citizens, we must reduce the rate of crime. The underlying reasons for the rising crime rate are:

**Crime rate rises with the market growth rate.** As a market economy is the way for a nation to become rich, and everyone in China has now had a taste of the benefits market economy brings, yet China's market economy is at its infancy and has not reached the stage of a legally regulated economy. This then is the loophole whereby criminal elements can take advantage of the market economy to distort or wreck it. Everyone knows that competition is a major characteristic of a market economy. From competition comes efficiency and quality. But where competition thrives, improper competition can hardly be avoided. And on the open field of competition, rules are violated by some people who act as if they were on stimulants or drugs. Everyone knows that it is bad to seal off one's country, for commercial goods know no national boundary; but with the country's gates thrown open, the inflow of fresh air brings in a swarm of "foreign flies", which hooked up with "native flies," spread sickness and germs. Everyone knows that the new system is better than the old one, but in the process of transition, the old and the new coexist and unavoidably create friction; and with the disequilibrium, turbulence is inevitable. Friction and turbulence are hot beds for criminals.

**Crimes follow population movement.** A developing economy requires the movement of people and it is inevitable that surplus labor gets mixed in with the general population movement. The discrepancies among regions are considerable and these cause the population movement to accelerate. In this respect, people on the move, like running water, are never stale; but at the same time, dirt and mud are swept along with the flow. On the one hand, like the proverbial peacock flying east and south, the crows on the other hand also head for the same destination. The crime rate in a floating population has always been greater than in settled communities. People on the move always bring along roving ruffians and bandits. There is no exception to this anywhere in this wide world. People on the move are difficult to manage, but that does not mean that they cannot be managed. Those who manage well people in a settled community win the bronze medal; but the ones who can manage a floating population deserve the gold medal among managers.

**Crimes flourish as cities flourish.** As villages become townships, counties turn into cities, and villagers themselves become urban dwellers, this is progress and civilization. But whether under capitalism or socialism,



the crime rate in big cities is generally higher than in medium and small-sized cities. This is defined by the population density of cities, and the short-term, temporary, and anonymous nature of interpersonal association. The big city of New York is thus one of the cities with the highest crime rate.

**Crime expands as discrepancies widen.** The egalitarianism in China goes back a long, long way. In recent years, however, the gap between the rich and poor has widened. When this gap is widened appropriately, it can help sustain the enthusiasm on the part of the well off and stimulate the drive and motivation on the part of the less well off; but the Confucius saying that "one worries not about poverty but inequality" is not entirely without justification. "Inequality" breeds robbers and thieves. "Poverty" means an empty stomach and no friends. Which is a better option? It is a question of the scale of values. In my view, no one would pass up the chance to get rich because it involved a little petty thievery along the way.

**Crimes spread as power grows and expands.** Power which lacks supervision and balance can easily turn into money and into crime. This is true when an individual abuses his authority and office, and it also applies to any collective abuse of power and position. The collective violation of rules on the part of some high officials, who collectively commit crimes, is a special characteristic of criminal behavior in recent years. Such officials make plans "as a clique" and pocket the profits collectively. Then if anything went wrong, they could collectively stone-wall or head off the problem. Their illegal behavior almost has an air of legality, and they are shielded by superb camouflage. When criminals take advantage of the fact that "the law does not punish everyone," and those responsible for executing the law hesitate to apply "the law to punish everyone," the result encourages and abets the spread of collective criminal behavior.

**Crimes follow deterioration of environment.** A deteriorating environment is conducive to crime. The environment is made up of people on top, bottom, left and right; and the top is the most important. Those who know the way are the "cadres who can eat and drink to their hearts content, while the ordinary citizens can only steal a little here and grab a little there." Those "with power" can legally grab all they want, but those "without power" can only steal illegally. When the crime rates are high all over, anyone who trudges through the sludge and does not get stained must be very skillful and tough indeed. [passage omitted]

**\*Changing Market Economy Value System Surveyed**

95CM0303B Shanghai SHEHUI [SOCIETY]  
in Chinese Mar 95 No 122, pp 31, 35-36

[Article by Wu Zengji (0702 1073 1015): "Citizen Concept of Value in a Society in Transformation"]

[FBIS Translated Excerpt] In order to understand the value system of Chinese people today, we carried out a questionnaire survey covering a considerable area in Jiangsu province during the second half of 1993. A total of 1,000 questionnaires was distributed and 965 completed questionnaires were returned, constituting a 96.5 percent response rate. SPSS [Statistical Package for Social Sciences] software was used to process the data. [passage omitted]

**1. A majority disagreed that market economy should be contrasted with the traditional concept of rights and benefits.**

With respect to the statement, "the market economy has rejected the Chinese people's traditional virtue of emphasizing right conduct over profit," 31 percent agreed somewhat, while 48.2 percent disagreed or somewhat disagreed. This indicated that a majority did not agree that the market economy should be contrasted with the traditional concept of "emphasizing right conduct over profit," but also that the people's idea regarding the concept is beginning to change to a certain extent. From the responses, we note that 15.1 percent were "not sure" on this point, i.e. not knowing whether it was right or wrong to make this contrast. This shows that as the market economy develops, many people become confused over the concept of right conduct versus profit.

**2. No clearly noticeable opinion trend in preference between stability of life and standard of living.**

With respect to the statement, "if life were stable and secure, it would not matter if living standards were somewhat lower," 44.7 percent agreed or somewhat agreed, while 46.4 percent disagreed or somewhat disagreed. These close figures indicate that there is no clear-cut opinion in preference between the two alternatives. It appears that close to one-half of the people considered the stability of life as more important than a rising standard of living, while another one-half regarded the search for a higher standard of living more important than leading a stable life.



**3. A majority considered that on questions of honor, one should give way and not be contentious.**

With respect to the statement, "on questions of honor, one should compete and not give way," 38.1 percent agreed or somewhat agreed, while 49.1 percent disagreed or somewhat disagreed, indicating that a majority still felt that on questions of honor, one should give way and not be contentious. But we should also take note that a considerable proportion of respondents held the opposite view. "One should give way on questions of honor" is a virtue which Chinese people have long observed. In the 1950s and 1960s, people considered it honorable to "give way on questions of honor"; but now, in the eyes of some, this standard is forgotten or is viewed differently. Is this change dictated by the demand of the times or social progress, or does it represent a lowering of social mores and moral standards? From the responses to the fifth statement one may get some answer to this question.

**4. Close to one-half of the sample felt that old age pension and medical care benefits for employees and workers should be provided entirely by the government or society collectively.**

With respect to the statement, "should employees and workers old age pension and medical care benefits be provided entirely by the government or society collectively," 48 percent agreed or somewhat agreed, while 38.1 percent disagreed or somewhat disagreed. This demonstrates that there are still more people who agreed with the concept that such entitlements of employees and workers should be provided by the government or society collectively. But a considerable plurality disagreed with this viewpoint; what kind of people are they? We propose to analyze this further below.

**5. A majority believed since reform and opening up, the moral standard among people has declined.**

With respect to the statement, "since reform and opening up, has the moral standard of people declined or has it risen," 28.4 percent agreed or somewhat agreed, while 56.5 percent disagreed and somewhat disagreed; the 30 percentage points difference indicated a clear opinion trend in the way people looked at this question, i.e. a majority believed that since reform and opening up, the moral standard among the people has not risen but has declined. A majority of people showed their concern over this decline. But what is also of note is that on this point, more than 10 percent of the respondents said they were "not sure," suggesting that under operating conditions of the market economy, the question of morality is one which causes many people to feel perplexed.

**6. A majority felt a person should be happy if he is contented.**

"Happiness is being contented" is a typical value concept of the Chinese people and a highly valued credo of life for a long period of time. In this survey, 60.8 percent agreed or somewhat agreed with the proposition that "one should be happy if one is contented," while 28.5 percent disagreed or somewhat disagreed; clearly, after 15 years of reform and opening up, a majority could still affirm the validity of this traditional value concept.

**7. A majority disagreed that "incomes of workers engaged in different occupations should generally be equal."**

With respect to the question, "workers in different occupations should generally receive the same pay," 34.6 percent agreed or somewhat agreed, while 50.5 percent disagree or somewhat disagreed. This indicates that a majority disagreed with the idea that "incomes of workers in different occupations should generally be equal." Does this opinion trend reflect the fact that, after 15 years of reform and opening up, the ideas originally held by all people of egalitarianism in distribution of benefits, and "equalizing the rich and poor," are now undergoing changes to some degree?

**8. No clear opinion trend on whether a socialist society should have the phenomenon of unemployment.**

With respect to the statement, "the unemployment phenomenon should not occur in a society under socialism," 42.3 percent agreed or somewhat agreed, while 42.9 percent disagreed or somewhat disagreed. The fact that the two figures are very close indicates that on this question there is no clear-cut opinion trend. What is of note is that 10.7 percent of the respondents were "not sure," suggesting that many people are feeling perplexed over this question.

**9. No clear opinion trend on what attitude one should take when confronted by a ruffian holding a weapon.**

With respect to the statement, "it is understandable that some people are unwilling to fight a ruffian holding a weapon," 42 percent agreed or somewhat agreed, while 45 percent disagreed or somewhat disagreed. In other words, those who argued for fighting it out slightly outnumbered those holding the opposite view, even though the difference is very small. In one respect, the survey suggests that people with a sense of righteousness are after all still the majority in society, but in another respect, it also indicates that pragmatism and the philosophy of getting along in life by "protecting oneself by shrewdness" are nevertheless important principles which, at a critical juncture, can

influence the choice of action on the part of some people.

**10. A majority felt that being contented with one's lot is a traditional virtue of the Chinese people which should continue to be upheld.**

With respect to the statement, "being contented with one's lot, a traditional virtue of the Chinese people, should continue to be upheld," 61.7 percent agreed or somewhat agreed, while 27.7 percent disagreed or somewhat disagreed. The difference of more than 30 percentage points indicates that the opinion trend on this question is quite clear-cut. Today, after 15 years of reform and opening up, a majority still felt that this traditional virtue of the Chinese people should continue to be upheld. Understanding that this is the opinion among citizens today is significant. In the period of reform and opening up, we vigorously supported and encouraged the "able people" and reformers who courageously pushed ahead and who dared to adopt new ways and take risks; but in any society, this kind of people are a small minority, and one should not and indeed cannot expect most people to be like this small group. Being contented with one's lot is still a basic requirement for a majority of people in this period of major transformation in the society.

**11. A majority disagreed that economic development should be considered the only important thing in society.**

With respect to the statement, "so long as the country's economic development goes forward, all other aspects are of secondary importance," 24.7 percent agreed or somewhat agreed, while 62.2 percent disagreed or somewhat disagreed. The difference of close to 40 percentage points shows that the opinion on this issue is very clear indeed. [passage omitted]

**\*Survey of Student Perceptions of Morality**

95CM0302A Fuzhou JIAOYU PINGLUN  
[EDUCATION REVIEW] in Chinese 20 Apr 95  
No 62, pp 25-26

[Article by Cai Zongsong (5591 1350 2646): "Solutions to Problems of Morality Among High School Students"]

[FBIS Translated Excerpt] Today, the phenomenon of schools emphasizing knowledge and neglecting morality remains very serious. The moral character of high school students appears to be on the decline. We conducted a survey on questions of morality among 350 students selected from six high schools in Fuzhou city (two key schools, two standard schools, one a village school, one a combined standard and vocational school), and the results showed that there is no room for optimism where

the state of moral character of high school students is concerned; and that all personnel working in the education field must urgently expand the scope and increase the effectiveness of moral education if students with the quality required in the 21st century are to be trained.

Among the findings, first, student ideas on morality are confused and contradictory. The survey found that many students were perplexed about or had contradictory feelings regarding moral precepts, principles and points of view. For example, 86.8 percent of the sample agreed that "one should be concerned about other people in distress or pain." But 40.5 percent also felt that "As I am my own god, I need only to please myself and not care for others." When asked how they viewed honesty, 92 percent replied that honesty is a virtue. Yet, on how they felt about honest and frank expression of views, 51 percent felt that "one would lose out by speaking frankly." This illustrates that serious contradictions exist in high school student thinking on morality.

Second, moral ideas and behavior of high school students are disjointed to a certain degree. This is reflected in the following types: The first type are students who have a basically correct moral orientation, but due to inadequate will power, their words do not match their behavior. As one student put it: "I know that smoking is a bad habit, and that high school students shouldn't do it, but I end up smoking anyway because it is hard to resist the temptation from others." The second type are students whose behavior is immoral due to the lack of sound understanding of morality or emotional motivation. Under teacher or collective pressure, students would tell lies and their words therefore do not match their deeds. We conducted an anonymous survey about cheating in exams using 97 students selected from two classes of a certain high school, and found that close to 31 percent of the sample had cheated in exams in the last school year. We then asked the same 97 students to separately do a self-appraisal of their actions during the past year, and discovered that not one of them admitted to having cheated in exams. The third type are students who have a basically correct understanding of morality, but who have not learned the proper ways of behaving morally, and therefore do not actually behave in a moral manner. All of the students surveyed felt that students should respect their teachers, but 23 percent of the respondents did not know what was expected of them in terms of speech, attitude, and action when they entered the teachers' offices, and that showed that their words and behavior are disjointed. The fourth type are students who have a correct understanding of morality but have not truly made morality their personal credo, and thus failed to measure up to standards at a crucial juncture.



In the survey, 92 percent considered honesty as a moral principle, but replying to the question "would you speak the truth if doing so would be to your disadvantage?", 37 percent replied that they would not.

Third, the moral habits of high school students contribute to the lowering of the overall standard. Forming the habit of moral behavior is one of the important marks for one's moral character development, and also marks the important beginning of moral education. The survey found that, on habits of moral behavior among high school students, the standard was low. In the survey, the 350 student from the six high schools were queried about their habitual behavior in eight areas of life such as obeying rules and regulations, taking part in collective activities, observing public health rules, carrying on their personal lives, respecting public properties, displaying manners, and attitude toward labor. Except for respect for teachers and participation in collective activities where the standards were relatively high, in all other areas the standards tended to be low. In another survey, when asked "what would you do if other people berated or cursed you?", as many as 70.8 percent said that they "would curse back." These data illustrate the low standard in moral behavior of high school students today.

Fourth, high school students have a weak sense of "social ethics." The survey found that the "social ethics" standard of today's high school students is far from ideal. In public, youth and students disobey traffic rules and regulations, show no respect for the aged or concern for the young, spit and discard fruit peelings and garbage everywhere, cut and squeeze into queues and destroy public properties. Such behavior can be seen everywhere. In the survey, when asked whether one should take the initiative and offer one's seat to an old person in public buses, 46.7 percent replied this would not be necessary, 25.8 percent felt this ought to be done, while 28.1 percent thought it would depend on circumstances. The survey found that 31.5 percent of the respondents had scribbled on or defaced public facilities while on an outing or traveling. When asked their opinion about such behavior in tourist sites, 35.2 percent thought it was fun, 43.3 percent took the attitude that it did not matter, and only 21.5 percent clearly considered this to be immoral. In reply to the question how they viewed the phenomenon of spitting in the street, 56.6 percent replied this was a matter of habit, 14.2 percent said they had not given it any thought, while 29.2 percent considered this to be shameful. The survey describes and demonstrates that the social ethics consciousness among high school students today is relatively weak, and that in terms of maintaining public and social order, supporting public health, respecting

the rights and benefits of others, the students have not developed a self-awareness in understanding or in behavior.

The problems of high school students' moral character today directly reflect the many weak links in our moral education, which include doing whatever pleases oneself, taking abrupt and shocking actions, caring for form and not substance and paying no attention to actual effectiveness, etc. [passage omitted]

## Science & Technology

**Daily on Tasks, Targets for Information Industry**  
*HK1107090495 Beijing RENMIN RIBAO in Chinese*  
 18 May 95 p 9

[Article by Liu Cai (0491 1752): "Tasks and Targets of Building China's Information Infrastructure"]

[FBIS Translated Text] I

Following the announcement by the U.S. Government of its plan to build an "information superhighway," major developed countries and newly industrialized economies of the world have also put forward their own national programs for the development of information infrastructures that cater to the needs of the 21st century, and are taking this as important state policy for promoting economic growth and increasing their comprehensive national strength and international competitiveness. To a large extent, this reflects the objective needs of scientific and technological progress and the development of productivity in the world, and embodies the general trend of the transition of modern society from industrialization to the information boom. It will have a far-reaching impact on economic development and social progress in all countries, even on the work and lifestyles of future generations.

**In China, the building of a strong national information infrastructure is a strategic need for speeding up the realization of socialist modernization.** Comrade Deng Xiaoping pointed out a long time ago: "We should proceed from communications and telecommunications in our modernization drive." General Secretary Jiang also pointed out: "None of the four modernizations can do without the modernization of information." China is a developing country. On the whole, it is still industrializing, but this does not mean that we have to wait until we have completed the industrialization process before we can begin talking about the modernization of information. We can and must make use of advances in telecommunications and computer technology, combine the modernization of information with the modernization of industry, agriculture, national defense,



and science and technology, and we must make them promote one another in order to accelerate our pace in catching up with advanced world levels.

China is investing in the building of a basic telecommunications network, and is making great efforts to popularize telephone and other basic telecommunications services. Thanks to technological progress, there is an increasingly pressing demand for data, graphics, and other non-speech telecommunications services. Proceeding from our national conditions, our government has put forward the task of building a national economic information network and promoting the modernization of national economic information while continuing to make great efforts to popularize basic telecommunications services. This is of great practical significance in optimizing the industrial structure, achieving better economic results, and merging tracks with international standards. II

Our country is lagging far behind the developed countries in the degree of its modernization of social and economic information. Since the commencement of reform and opening up, however, we have laid a preliminary foundation for the building of a national information infrastructure thanks to the development of telecommunications and the computer industry.

The national telecommunications network has basically taken shape, and there has been a qualitative improvement on the technical level.

Where the basic transmission network is concerned, work on the 1 million fiber-optic-kilometer optical cable, the 120,000 channel-kilometer microwave trunk line and the 19 large telecommunications satellite ground stations which link all large and medium-sized cities will be completed before the end of this year. Work on the provincial transmission networks is also being stepped up, and open wires and copper wires are gradually being phased out by microwave and optical cable transmission. The total number of toll circuits in the country has increased to 700,000, and over 80 percent of toll networks are digitalized. **These large-capacity digital transmission networks can not only transmit voice-data, but can also transmit information in other forms, such as computer data and television images. They provide the basis for an elementary network for the building of an "information superhighway" at this stage.**

On this basis, China has built an automatic telephone exchange network for urban and rural telephone services with program-controlled switches forming the mainstay. In 1994, the exchange capacity of this network was 48 million lines, the third largest in

the world. On the basis of automation, work on the digitalization of transmission and the replacement of all switches by program-controlled switches is being stepped up. Digital program-controlled switches are used on 97 percent of local telephone exchanges.

In 1993 China opened a national public data packet exchange network which is mainly suitable for interactive computer communications. This network is now serving over 600 cities. It is also connected with the public telephone network and serving more than 20 government departments. International networking is achieved with 41 public data networks in more than 20 countries and regions. In 1994, China opened a public digital data network which covers all major cities and provides medium- and high-speed digital transmission channels for various types of specialized information systems. Cellular telephone service and wireless paging are now available in most cities above the county level. They are serving 1.57 million users and 10 million users respectively, and national networking has basically been achieved. Construction of the signaling network, synchronizing network, and monitoring and control network which support the above networks is also underway.

The basic transmission network, four service networks, and three support networks form the national public communications network of our country. It is the public information infrastructure which serves all trades and professions. The government has invested over 100 billion on this information infrastructure since the commencement of reform and opening up.

While developing the telecommunications networks, China has also made great headway in its computer hardware and software industries. Information processing and information service industries have also started their development. We have the ability to develop giant computers which can make 1 billion calculations per second. A number of computer industrial groups, such as Legend, Great Wall and Langchao, have emerged. Chinese micro-computers have entered international markets. Some of our software, particularly our Chinese-language systems, have established their international lead. Electronic computers have started to be used extensively in various trades and professions and in all departments. There are currently over 12,000 large, medium-sized, and small computers and over 2 million micro-computers of various types in the country. A dozen large information systems, including the national economic information system, banking management system, railroad operation system, power grid monitoring and control system, and scientific and technological information system, have slowly started to take shape. More than 800 data banks have been es-

established in the country, some of which have already started on-line operation. All key cities, over 50 percent of prefectures, and 25 percent of counties and cities have established their own information coordination organs. In addition, there are over 60,000 information service enterprises of various types. III

**The following are the main targets for the building of China's information infrastructure and promotion of the modernization of national economic information by the year 2020:**

**(1) The building of a modern national communications network, which shall have the following characteristics:**

**Wideband transmission** Taking large-capacity digital optical cables on trunk lines and making comprehensive use of supplementary means such as digital microwave and satellite communications, wideband transmission technology will be adopted to achieve a transmission capacity equivalent to over 1 million telephone circuits and over 10,000 television channels on the trunk lines. At the same time, a new generation of wideband cut-in technology such as wideband switching technology and door-to-door optical cables will be adopted to achieve end-to-end wideband high-speed transmission.

**Integration** The above-mentioned wideband high-speed transmission network will become an integrated service data network, also known as a multi-media network, which can simultaneously transmit telephone voice-data, television images, and other forms of information. Information terminal equipment such as telephones, computers, and televisions which are now used independently will be integrated into an organic whole — a multimedia terminal. On this basis, all kinds of multimedia communications with interactive and fully-dynamic imaging as well as new forms of communications service such as home-shopping, home offices, distance learning and push-button home videos will be developed, thereby greatly enlarging the scope of information services.

**Artificial intelligence** This communications network will have intelligent functions and can generate and choose new functions and modes of service based on the needs of users. It also has self-diagnostic and self-adjustment functions.

**Comprehensive and unified nature** Based on the experience gained and lessons learned by other countries, we will concentrate resources on building a comprehensive, unified, safe, and smooth national communications network and will avoid making the mistake of building isolated networks and later trying to merge them. This network will be supplemented by specialized networks to suit the specific needs of particular sectors.

**National coverage** The wideband high-speed transmission network will gradually be extended from the large cities to the medium-sized and small cities and from the east to the central and western regions. At the same time, efforts will be made to direct the bulk of investment to local high-speed distribution networks and to tackle the wideband cut-in problem so that multi-media information and communications will be widely used by industrial and commercial users, by government organs and public institutions, and on scientific, educational, cultural and public health systems by stages. Eventually even ordinary families will be able to benefit from modern communications and information services.

**(2) The development of a thriving electronic information processing and information service industry.** All sectors of the national economy will make extensive use of electronic information technology, make full use of the national public communications network, establish applied information systems for all departments and for all trades and professions, and promote the use of electronic information systems in the management of the national economy. Efforts will be made to achieve advanced capabilities computer networking in scientific research, education, medicine, and other spheres of new and high technologies and to promote the sharing of resources. Information business operators who specialize in the collection, processing, and storage of all kinds of valuable information and who provide services to members of the public will be groomed, and open information databanks which can reach end-users via communications networks will be established, thereby giving shape to an electronic information service industry.

**(3) The building of a strong telecommunications and information equipment manufacturing industry.** Major efforts will be made to develop the electronics industry; to establish bases for the development and production of very large-scale integrated circuits, computer hardware and software, various kinds of communications transmission and switching equipment, multimedia terminals and other types of information processing equipment; and to enhance our ability to develop and produce systems on our own. The electronics industry is the pillar of our information infrastructure and the national economy as a whole. Without this pillar, the information infrastructure cannot be built. IV

**The tasks and targets for the building of China's information infrastructure before the end of this century are as follows:**

**(1) We must achieve initial success in building a national public communications network whose functions, capacity, and quality can basically meet the needs for the circulation of information in society.**



Thus, it is necessary to speed up the building of a trunk transmission network with optical cables forming the mainstay. During the Ninth Five-Year Plan period, a network of eight east-west and eight north-south running optical cables will be built. At the same time, efforts will be made to develop digital microwave and satellite communications. The number of toll circuits will exceed 2.4 million circuits. Urban and rural telephone networks, public packet switching data networks, high-speed digital data networks, and mobile communications networks will be expanded, improved, and popularized. The total capacity of urban and rural telephone lines will reach 140 million lines, and the average telephone popularization rate is 9 percent, or 30-40 percent in cities. Telephone service is now extended to every village. There are now 10 million mobile telephones and 24 million pagers in the country. Public packet switching networks and digital data networks have been extended to 90 percent and 60 percent of cities and counties respectively. At the same time, efforts must be made to actively keep track of foreign technological development trends, conduct research on and develop new generations of transmission and switching technologies, wide-band cut-in technology and multi-media technology, unfold application experiments on wideband networks and multi-media businesses, and make preparations for the transition of existing communications networks to wide-band integrated service networks.

**(2) We must establish a national macro-control economic information communications network, establish a management information communications system for major sectors of the national economy and for major trades and professions, and promote the modernization of national economic information.**

With this in mind, positive support must be given to the development of electronic information applied engineering that has overall significance to the realization of the "Gold Pass," "Gold Card," and other projects for the modernization of national economic information. On this basis, it is necessary to promote applied modern electronic information technologies in various sectors of the national economy. Over 1,000 national or regional large electronic information and communications systems should be built before the end of this century. A "Giant Golden Bridge" project should be launched on the basis of the national public communications network, whose function is to provide a large-capacity and competent public circuits platform which covers the whole nation and which is reasonably priced. It is also necessary to give full scope to the supplementary role of specialized communications networks, and support the building of essential specialized communications networks in those areas not covered or ade-

quately served by the national public communications network.

**(3) We must make great efforts to develop electronic information services that cater to public needs.** It is necessary to vigorously develop information gathering, processing, storage, consultation and services that are geared to public needs, build a number of public information databases, and provide extensive information service to clients through communications circuits. It is also necessary to gradually promote the spread of electronic newspapers, books, audio-visual products, and the building of relevant networks so that electronic information services and information consultation can become a fledgling social service industry.

**(4) We must make an effort to speed up the development of the information equipment manufacturing industry, which includes the manufacturing of computers and communications equipment.** During the Ninth Five-Year Plan, it is necessary to concentrate resources on the development of microelectronic technology and computer industry; increase the intensity of investment; organize the tackling of technical projects; implement the policy of importation, assimilation, absorption and innovation; and steadily increase the ability to develop and produce information equipment.

**(5) We must speed up the training of personnel who are versed in communications and information techniques.** We must train and bring up a large number of professional and technical personnel and management personnel of high standards while at the same time making continuous efforts to raise public awareness of the importance of information and improve our skills in providing information and communications services.

#### **New Microbial Additive Improves Forage**

OW0907134695 Beijing XINHUA in English  
1307 GMT 9 Jul 95

[FBIS Transcribed Text] Chengdu, July 9 (XINHUA) — A new microbial forage additive developed by the Sichuan Agricultural University proves that the application of microorganisms to livestock feed improves growth, local sources said.

It is said to be superior to hormone or antibiotic additives for both promoting biological growth and fortifying the immunity system, according to agronomists.

Based on the theory of the harmonious adjustment of microorganisms in livestock, the university's researchers selected some six fungus varieties as the basis for the additive.

Experiments show that the additive helps pigs increase their weight by 16.5 percent to 25.8 percent a day. The



weight of fish fry goes up by 36.6 percent a day, that of grown fish by eight percent to 11.6 percent, and that of chickens by 21 percent. At the same time, it increases the output of shrimp per mu (one ha equals 15 mu) by 31.2 percent.

#### **Tianjin Leaders Discuss Science, Technology**

*SK1107084195 Tianjin TIANJIN RIBAO in Chinese  
30 Jun 95 p 1*

[FBIS Translated Text] The Tianjin science and technology conference was solemnly convened on 29 June in the municipal cadre club. Encompassing the overall situation, this important conference was convened by the municipal party committee and municipal government. The conference took as its guidance Comrade Deng Xiaoping's thoughts that science and technology are the primary productive forces; conscientiously carried out the "Resolution of the CPC Central Party Committee and the State Council on Accelerating the Improvement of Science and Technology" as well as the spirit of the important speeches made by the central leading cadres, such as Jiang Zemin and Li Peng, at the national science and technology conference; and specifically planned implementation of the strategy of developing the municipality with science and technology. This will definitely have an important and profound influence on our municipality's scientific and technological improvement as well as on its economic and social development, and will again create the glory of Tianjin.

Gao Dezhan, secretary of the municipal party committee, made an important speech. Zhang Lichang, deputy secretary of the municipal party committee and mayor, issued a work report. Li Jianguo, deputy secretary of the municipal party committee, and Li Shenglin, deputy secretary of the municipal party committee and executive vice mayor, chaired the conference. Vice Mayor Zhuang Gonghui transmitted the spirit of the national science and technology conference. Nie Bichu and Liu Jinfeng attended.

There were four parts to Gao Dezhan's speech. First, to implement the strategy of developing the municipality with science and technology, we should first deepen our thoughts and understanding; carry out in a comprehensive manner the thoughts that science and technology are the primary productive forces; insist on taking education as the foundation; and place science, technology, and education at the important position in economic and social development. He held: We should fully understand that we should depend on science and technology to fulfill the strategic target of developing Tianjin. The key to building Tianjin into the economic center of the northern part of China is that we should become a center of science and technology. At present, whether

we can depend on and accelerate scientific and technological improvement has become the decisive factor in deciding whether Tianjin can develop its economy and achieve success in state-owned enterprises. To develop the economy, we should first develop science and technology. When we try to grasp the opportunity to develop the economy, we should first grasp the opportunity to enhance scientific and technological improvement. We should fully understand that we should also attach importance to depending on science, technology, and education in order to enhance the overall development of society. Gao Dezhan pointed out: The contents of implementing the strategy of developing the municipality with science and technology include the following: 1) We should make sure that science, technology, and education are really placed in the strategic position in the overall situation of the municipality's socialist modernization drive. 2) We should strengthen the science and technology awareness of the entire society, especially leading cadres at all levels. The thought that science and technology are the primary productive forces, and that education is the foundation, should take root in the hearts of the people. 3) Science and technology should be organically combined with the economy. 4) The contingent of scientific and technological personnel should be further expanded, and the quality of the overall laborers should all be upgraded. 5) The contribution rate of the scientific and technological improvement in economic growth should be ranked among the best in the entire country. 6) The level of science, technology, and education should continue to be promoted. Economic construction and social development should be guided along the road of depending on scientific and technological improvement and on the upgrading of the quality of laborers.

Second, to implement the strategy of developing the municipality with science and technology, we should pay particular attention to the integration of science, technology, and education as well as improve the quality and efficiency of the economic growth of our municipality. Gao Dezhan emphasized: We should resolve the problem of integrating science, technology, and education in all walks of life. In particular, we should make great efforts to achieve success in the endeavors to develop agriculture and develop industry with science and technology. To develop industry with science and technology, we should pay particular attention to building the mechanism of enterprises for renewing technology; increase the momentum to transform technology; make great efforts to develop new products; accelerate the transformation of scientific and technological results; upgrade the management level; and build high-quality contingents of staff members and workers. To develop agriculture with science, technology, and edu-

cation, we should pay particular attention to the level of per-unit production of the main farm products; select, breed, and popularize good varieties; disseminate advanced and suitable planting technology; achieve success in the fine processing of farm and sideline products; and develop green agriculture and environment-friendly agriculture.

Third, the key to implementing the strategy of rejuvenating the municipality with science and education is to cultivate and bring up qualified scientists and technicians with ability and political integrity and to strive to upgrade the quality of all laborers. We should fully mobilize the enthusiasm of the existing science professionals and technicians, adopt realistic measures to stabilize the contingents of science professionals and technicians of state-owned enterprises and agricultural fronts, and guide the science professionals and technicians of scientific research institutes to consciously join the main battlefield of economic and social development. We should accelerate the pace of cultivating academic and technical leading persons spanning this century and the next, create conditions to cultivate science professionals and technicians, and have them undertake heavy tasks and bring their talents into play. We should strive to create good environments and conditions for cultivating and bringing up qualified scientists and technicians, guarantee their deserved returns from creating value for society, and give handsome rewards to those with special contributions. We should comprehensively upgrade the quality of laborers, bring large-scale training into line with the strategy of rejuvenating the municipality with science and education, and standardize and institutionalize the training work.

Fourth, to implement the strategy, we must strengthen the leadership over the scientific and technological work and ensure the fulfillment of various tasks. First, top leaders of the party and government should attend to the development of primary productive forces. Second, plans to be worked out should embody the strategy. Third, specific policies and methods for accelerating the pace of scientific and technological progress should be formulated and perfected. Fourth, we should pioneer various channels and layers to increase the input in science and technology. Fifth, it is necessary to carry out the system of responsibility for fulfillment of scientific and technological work targets.

Mayor Zhang Lichang delivered a work report titled "Implement the Strategy of Rejuvenating the Municipality with Science and Education and Persistently Take the Development Path of Relying on Scientific and Technological Progress."

After fully affirming the municipality's scientific and technological work achievements, Zhang Lichang pointed out: Now Tianjin is in the key transitional period of readjusting the economic structure, upgrading the economic development level, and comprehensively upgrading quality. To realize the key transition, we must unswervingly follow the path of science and technology, rely on science and technology, and vigorously carry out the strategy of rejuvenating the municipality with science and education. Today, Tianjin has entered an age of comprehensively seeking scientific and technological progress. This is an essential choice for Tianjin to march toward the 21st century, a strategic measure for realizing the grand goal, and a fundamental way for building itself into a large, modernized port city. From now on, the leaders at various levels, the entire cadres, the broad masses of science professionals and technicians, and all the people of the municipality should have a high-degree sense of urgency and awareness, foster a strong awareness of science and technology, bring their intelligence and wisdom into full play, make concerted action, go into action in a coordinated manner, vigorously carry out the strategy, and elevate Tianjin's economy to new heights.

Zhang Lichang stressed: To vigorously carry out the strategy, we must have a clear fighting goal. In the early years of the 21st century, the municipality should fundamentally set up a new type of scientific and technological development system suitable to the development of the socialist market economy, make Tianjin stand among the areas where science and technology are better developed than any other areas in the whole country, and make Tianjin a cut above others in promoting economic growth with technologies.

Zhang Lichang said: Relying on scientific and technological progress should finally be embodied by products. We must set forth a strategy of developing competitive products. We should concentrate advantageous forces and financial and material resources to accelerate the pace of grafting in transformation and readjustment. We should persistently ensure transforming projects with foreign techniques and foreign capital, form products with competitiveness, guide the development of a trade, and enliven groups of enterprises. Projects without competitiveness and low-level duplicate projects must not be developed. No new outstanding technical accounts should be added.

Zhang Lichang pointed out: Economic development requires close combination between science, technology, and the economy, and so does scientific and technological development. Enterprises represent the main battlefield of expediting integration between science, technology, and the economy. In a socialist market econ-



omy, it is inevitable for enterprises to use the skills obtained from the advances made by science and technology resulting in upgraded quality and economic growth. Thus, enterprises are objectively urged to become the main body of technological development and the main bases of developing new products and technologies. We should foster the mechanism of creating something new in technologies, in which scientific research institutes are closely integrated with productive units, risks are commonly assumed, and benefits are commonly shared. We should also accelerate the pace in developing new products.

Zhang Lichang stressed: The key to the strategy of making the municipality prosperous through science and education lies in talented personnel. We should bring into full play the role of qualified scientists and technicians and achieve in making the best possible use of talented personnel. By adopting various forms, we should train a large number of trans-century vanguards of science and technology in the fields of pillar industries, of sciences with strong points, and of new high technologies. In line with the request for their self-development, various enterprises and institutions should select outstanding young talented science and technology personnel to attend the training on key courses so as to build up the grand contingent of trans-century personnel in science and technology. A good job should be done in holding training classes for laborers to enable every on-the-job laborer to proficiently keep informed about advanced technologies and to consciously engage in operations in line with the technical standard. Having a large labor force with high quality means having a profound foundation for relying on scientific and technological progress.

Zhang Lichang demanded: It is imperative to realistically enhance leadership over the vigorous expedition of scientific and technological progress. We should uphold the principle of having the first leading personnel grasp the first productive force, establish necessary organizational systems, carry out studies on policies, and do a good job in formulating plans. As for the development projects with vitality, we should adopt the policy of "yielding to one step and making two steps." This means opening projects in which we should yield to one step in policies and can make two steps in scoring benefits from them. The departments of planning, financial affairs, and banking should give vigorous support to these projects. We should extensively utilize the funds of various circles to increase the input in science and technology. By the year 2000, the total volume of expenses for scientific research and development should

reach more than 1.5 percent of gross domestic product. Funds appropriated by the municipal financial department for science and technology should surpass the increased proportion of financial revenues in the same period.

Lastly Zhang Lichang stressed: We should adopt every possible means to eliminate the troubles of scientific and technological personnel back home. While continuously giving handsome awards to scientific and technological personnel who have made prominent contributions, the municipal party committee and the municipal people's government should establish systems of academic (technical) subsidies. Various departments, districts, and counties should carry out special studies over the problems cropping up in the work and life of their subordinate personnel of science and technology and should concentrate their efforts on doing practical deeds for them. We should help them deal with all problems they have encountered. All in all, units from top to bottom across the municipality should be extensively galvanized into action to create a fine social environment of making the municipality prosperous through science and education and to have science and technology infiltrate into every front and field. Either leading cadres or the masses as well as either scientific and technological personnel or staff members and workers should make due contributions in their own posts to scientific and technological progress by adopting different forms and should unswervingly follow the development road of relying on scientific and technological progress.

Delivering their reports at the conference to describe their experience gained in expediting scientific and technological progress were Tianjin Petrochemical Company, Tianjin Municipal Agriculture Science Institute, the Fifth Design Institute under the Ministry of Machine-Building, Dagang District, and the municipal pharmaceutical company.

Attending the conference were leading comrades from the municipal party committee, the municipal people's congress standing committee, the municipal people's government, and the municipal Chinese People's Political Consultative Conference committee; responsible comrades from various departments, commissions, and offices; principal responsible comrades from the party and government organs of various districts and counties; responsible comrades from various mass communities, democratic parties, higher educational institutions, scientific research units, and large- and medium-sized enterprises; and some specialists and scholars of science and technology — 1,300 people in all.



**Daily Outlines Liaoning's Reform of S&T System**  
*SK0907074195 Shenyang LIAONING RIBAO*  
*in Chinese 28 Jun 95 p 1*

[Article by reporter Pu Ruomei (5543 5387 2734):  
"Liaoning Scores Eye-Catching Achievements in Reforming the Scientific and Technological System"]

[FBIS Translated Text] This reporter recently learned from the provincial scientific and technological commission that after 10 years of exploration and based on creative practices, Liaoning Province has made eye-catching achievements in reforming the scientific and technological system.

The status of commercialization of technological achievements has been established and the technology market has been vigorously developed. Our province is one of the provinces in China where development of the technology market has been quite advanced. Guided by the principle of "guidance, support, opening up, and invigoration," Liaoning's technology market has initially entered the development path of institutionalization and standardization. In the past 10-odd years, the province's overall scale of technological transaction has been unceasingly expanded, the technology transaction activities have become increasingly brisk, and the transaction volume of technical contracts has continued to increase. In 1987 the province as a whole signed 22,000 technical contracts, and the sum of the transactions reached 550 million yuan. In 1994, under a situation in which the technology transaction volume in all localities declined, our province still witnessed a stable and slightly upward trend, and the transaction volume reached 2.157 billion yuan. The province's technology transaction volume quadrupled in eight years alone. At the same time, the technology trading and management organs as well as the personnel engaging in technology business increased greatly. The technological products in the technology market have been introduced to all parts of the country, and the technological transaction achievements have involved various trades and fields, including energy, communications, the machinery and electric industry, metallurgy, light industry, the textile industry, the petrochemical industry, electronics, and agriculture.

We have implemented the financial allocation system to promote the integration of science and technology with the economy. Motivated by the reform of the financial allocation system, the behaviors of scientific research units and the ideology and the value concept of the science and technical personnel have changed obviously, and their awareness of facing the main battlefield of economic construction has unceasingly enhanced. Based on 1992 statistics, 20 of the 325 provin-

cial and city scientific research units across the province joined the enterprises or enterprise groups to run 366 research-production-marketing integrated economic entities, established 360 research and production associations along with enterprises, and established technical and economic cooperative relations with 996 enterprises. The items, which enterprises had entrusted scientific research organs to develop, increased by 1.25 times and the consignment items accounted for 24.2 percent of all research and development items. Meanwhile, the science and technology industries of science research units have rapidly developed. According to incomplete statistics, so far scientific research units across the province have run nearly 400 scientific and technological enterprises of all descriptions.

The reform of the internal operational mechanism has enhanced the vigor and vitality of science research organs, expanded the decision-making power of science research academies and institutes, and boosted the enthusiasm of the scientific and technical workers. At present, the science and technical workers have carried out their work in line with market needs, from item selection to research, development, popularization, and application, and have selected the key points that affect economic construction and social development and the tasks that produce fairly big economic and social efficiencies.

The science and technical personnel management system has been reformed, and the mechanism and environment in which professionals are respected and the ability of personnel is put to full use is being formed. Since more than 10 years of reform and opening up, Liaoning Province has formed a specialized science research contingent which is fairly complete in scope and rational in the structure of their echelons, and has a definite science research level as well as technology development ability. According to statistics, by the end of 1993, Liaoning Province had 1,665,800 specialized technical workers of various descriptions, an increase of 170 percent over 1984. The general index of the overall scientific and technical strength of the specialized technical contingent is second only to Shanghai. By the end of 1994, a personnel market network covering the whole province had been basically formed. At the same time, intellectual labor achievements of the scientific and technical workers have received attention and their living benefits such as housing and health care have been unceasingly improved. At present, 2,452 scientific and technical workers in our province enjoy special subsidies from the state or government; 78 people have been elected state-grade experts with outstanding contributions; and 390 people have been elected provincial-grade experts with outstanding contributions.

We have reformed the rural scientific and technological system, promoted scientific and technological progress, and accelerated the development of agriculture and rural economy. Since the past 10-odd years, the provincial party committee and the provincial government have formulated and implemented measures for promoting the projects of scientific progress in the rural areas and in agriculture such as the bumper harvest plan, the vegetable basket project, the one-two-three project, and the prairie plan. The rural science and technology management system has been reconstructed; deputy county heads and township heads have been selected and sent to take charge of scientific work; and most of the villages have peasant technicians, agricultural scientific research organs, agricultural technology dissemination organs, and peasant training organs to form an integrated science and technology operational system that links up the higher level with the lower level, the governments with peasants, and scientific research organs with the forefront of agricultural production.

We have expedited technological progress in enterprises and promoted the development of high and new-tech industries. In order to expedite scientific and technological progress in enterprises, our province has adopted various measures to promote the combination of scientific research institutes with colleges and universities as well as industrial enterprises. Enterprises have taken the initiative in seeking institutions of higher learning and scientific research units as technical supporters. Institutions of higher learning and scientific research units have disseminated science and technology to enterprises and conducted various forms of cooperation and coordination and joint research projects. We have also practiced the method of integrating "departments with regions," broadened the channels of converting scientific research findings, and unceasingly introduced new technologies and created new ones in an effort to promote scientific and technological progress in enterprises. According to incomplete statistics, Liaoning Province introduced 3,886 advanced technologies from abroad to more than 4,000 old enterprises, and enabled some enterprises to develop by leaps and bounds. Meanwhile, Liaoning Province has also strengthened the ability of enterprises to develop themselves independently and enabled them to gradually become the main bodies of technological development. Our province has 1,000 state-owned large and medium-sized enterprises and about 670 enterprises have established and improved their own technology development organs. At present, our province has achieved noticeable results in using high and new technology to transform traditional industries. The Shenyang Nanhu high-tech industrial development zone has become an influential source of using high and new-tech to transform traditional industries. In Shenyang City alone, it

has enabled 131 enterprises to enter the development zone through "setting up a plant or a corner" or "setting up a plant or several corners," and made enterprises partly or wholly transform themselves with high and new technology. Industrialization of high technology has rapidly developed in the whole province. Among the more than 450 high and new technological research items arranged before 1984, over 280 passed technical appraisal, and this helped our province win a leading position in China in the automation and control of industry, power and electronics technology, metal and alloy materials, numerical control technology, and static electricity technology, and some of these technologies attained the international advanced level. By the end of 1994, the output value of the province's high and new technologies reached 6.07 billion yuan. At present, the total area of six high and new technological industrial development zones is planned to be 66.75 square km — of which 10 square km is designated as a place under first development. So far, construction of 8.9 km of the first-development place has been completed, and 2,883 enterprises have moved in, of which 1,562 are high and new technological enterprises. More than 800 high and new technological items were implemented in this place, over 1,400 high and new technological products were developed, and \$300 million of foreign capital was introduced.

#### **Spirit, Achievements of Young Scientists Lauded**

*HK1007070095 Beijing RENMIN RIBAO in Chinese  
4 Jul 95 p 1*

[Commentator's article: "Stars of Hope for Invigorating the Country Through Science and Technology"]

[FBIS Translated Text] Between 14 and 22 June, eight distinguished young experts in science and technology held 10 briefings in Beijing, Tianjin, and Shanghai on the moving stories of how they beat various challenges to get to the top in the struggle to vigorously develop our motherland's science and technology.

For many years, these youths have not sought fame, fortune, or material comfort, and instead have devoted their youthful years to the honorable cause of science and technology. Without publicity they have done their research work with determination and dedication, and their toil and sweat have borne some golden fruits in the science and technology field. They are outstanding examples of contemporary Chinese youth, and the stars of hope in implementing the great strategy of making our country prosper through science and education.

These eight outstanding young experts are involved in different areas of scientific research; their life experiences and the environment in which they grew up are



also different. However, the process of their struggle clearly demonstrates certain common rules for the development of talent, and points to a correct outlook on the world and life, as well as a correct set of values for contemporary youth. Through this, they provide vivid examples from which people who want to make achievements can learn, and on which they can model themselves.

Burning patriotic fervor is the moral force that has sustained this group of youths in their long, hard struggle. The eight all grew up during the years of opening up. Most of them have the experience of studying abroad, or have been on study tours, or acted as visiting lecturers. Their ability and talent have given them opportunities to work in senior posts in foreign scientific research organizations and big companies. However, they were not tempted by the better material conditions abroad; rather, they were deeply worried about the relatively backward state of our motherland's science and technology. Their aim is: "Whatever foreigners can do, we Chinese can do also, and can do it even better." They keenly want to dispel the worried looks on millions of mothers' faces caused by our motherland's backwardness and poverty. Therefore, during the period they studied abroad, they won respect for Chinese people through their incredibly hard work and impressive results. When they returned to our motherland, they were driven by their fervor to work hard to make our motherland's science and technology take off, despite having to work under poor research and living conditions. There are no national boundaries in science, yet scientists have a mother country. Although it meant personally giving a lot, they have won dignity, honor, and huge benefits for their country. As they said, what can be more worthwhile than this kind of struggle!

Acquiring knowledge with incomparable persistence and perseverance, as well as daring to be innovative, are the real "secrets" of their achievement. Among the eight youths, one comes from a remote hilly region, another is a "young intellectual" who had been obliged to discontinue his studies, and yet another does not even have a university degree. Through months and years of hard work, however, they gradually have climbed to the commanding heights of science. While other people were enjoying themselves, they were working hard in libraries or laboratories. While other people were enjoying family life, they were running around trying to gather materials for their research subjects. As one of the comrades among them said: "There are indeed many opportunities in one's life, but opportunities will not wait for people who are totally unprepared, and this preparation means sweat, tears, willpower, and perseverance." What is especially commendable is that

on the one hand, these youths have a serious and meticulous attitude toward their research, while on the other they have a spirit of exploration which is not afraid to ignore conventions and break new ground. Just as in jumping hurdles, they are forever aiming for the challenge of reaching even higher. For this reason, they can open up a whole new world in their respective research fields, and can make innovations and discoveries. This is the most valuable quality a worker in the science and technology field can have.

Integrating with industry and agriculture, as well as with production and practice, are the effective ways the eight achieved what they did. These distinguished youths all mentioned that the expertise and talent of workers in the science and technology field must be merged with the grand cause of developing the country's economy for workers to have their personal careers and personal values. So, among them there is one who has given up the conveniences of big city life to go to a faraway canyon where his specialized skill can best be utilized. There is another who was willing to miss the chance of gaining personal fame through writing a book on his expertise to instead stay and work on the front line of the science and technology field. There is yet another who has given up the opportunity of making a personal fortune to cling to his teaching post, although it means poverty. Their experiences prove that building up ability through practice, and making achievements through hard work in the course of repaying our motherland — these are still the correct direction for contemporary Chinese youth to follow in their process of growing up.

We are currently seriously implementing the "CPC Central Committee and State Council's Decision on Accelerating Scientific and Technological Progress," and are putting into practice the spirit of the National Science and Technology Conference. The stories of the eight outstanding young experts in science and technology have brought youthful vitality to the scientific and technological wave that is stirring across our motherland. In them, we see not only the best qualities of contemporary Chinese youth, but also a bright tomorrow for our motherland's scientific and technological development.

### Military & Public Security

**Ren Jianxin, Luo Gan, Ministers Visit Xiamen**

*HK1107090295 Fuzhou Fujian People's Radio  
Network in Mandarin 2300 GMT 10 Jul 95*

[FBIS Translated Text] Ren Jianxin, secretary of the CPC Central Committee Secretariat and concurrently secretary of the Central Commission of Politics and Law, and State Councilor Luo Gan, concurrently deputy secretary of the Central Commission of Politics



and Law, called on cadres and policemen of the public security and the politics and law systems working on the forefront in Xiamen. The leaders extended cordial regards on behalf of the Central Committee and the State Council.

Ren Jianxin; Luo Gan; Public Security Minister Tao Siju; Justice Minister Xiao Yang; and Su Huaide, deputy secretary of the Central Commission of Politics and Law; accompanied by Shi Zhaobin, member of the Fujian provincial party committee standing committee and concurrently secretary of the Xiamen city party committee; Huang Songlu, member of the Fujian provincial party committee standing committee and concurrently director of the provincial public security department; and Vice Governor (Huang Xiaoding) arrived in a van at the No. 08 police substation, an advanced unit in Xiamen, to the warm welcome of cadres and policemen lining the street.

Ren Jianxin, Luo Gan, and company then came to the Xiamen People's Police Compound and the Intermediate People's Court to visit cadres and policemen there. Ren Jianxin encouraged them to handle cases fairly according to the law, conduct trials in public, and guarantee strict law enforcement so as to create first-rate accomplishments.

#### **PLA Aids Flood Relief in Central, South**

OW0707125995 Beijing XINHUA in English  
1233 GMT 7 Jul 95

[FBIS Transcribed Text] Beijing, July 7 (XINHUA) — The Chinese People's Liberation Army (PLA) in Central and South China has organized more than one million soldiers and people's militia to help rescue people and property affected by flooding.

By July 6, PLA soldiers in Hunan, Jiangxi, Hubei, and Guizhou Provinces had rescued 200,000 people and 100,000 tons of property from water damage and repaired 5,000 ruined roads and bridges.

Military area commands in the four provinces have set up flood-control headquarters. Commanders and political commissars went to dangerous areas to organize rescue efforts.

Huang Zushi, deputy political commissar of the Guizhou Provincial Military Area Command, led 30,000 officers and enlisted men to move 10,000 local residents to safe areas on July 1.

PLA soldiers in Hunan Province rescued 50,000 flood victims from July 1 to 4 and army units dropped 15 tons of foodstuffs, medicines, and survival equipment to flood-stricken areas.

#### **Party-People-Army Unity in Anti-Japan War Cited** OW1007115495 Beijing XINHUA Domestic Service in Chinese 0423 GMT 4 Jul 95

[Report by reporters Guo Diancheng (6753 3013 2052) and Zhou Zhifang (0719 1807 2455)]

[FBIS Translated Text] Beijing, 4 Jul (XINHUA) — General Xiao Ke, a noted general during the War of Resistance Against Japan, became excited when he talked to us about the hardships during the war.

He began by saying: As early as the "18 September" incident, the patriotic feeling of the Chinese Communists and the Red Army soldiers was already very strong. However, our strong desire to rush to the battlefields to resist Japanese aggression was unrealized only because the Chiang Kai-shek government of the Kuomintang (KMT), ignoring the fact that the nation's existence was in peril, stubbornly pursued the reactionary erroneous policy of "nonresistance" and of stressing that "in resisting foreign aggression, it is necessary to have peace at home first." The CPC Central Committee and the Chinese Soviet repeatedly issued declarations criticizing the traitorous "nonaggression" policy of the KMT Government of Chiang Kai-shek and calling on the people of the whole country to resist the aggressors. At the same time, a group of important cadres was quickly dispatched to northeast China to organize anti-Japanese guerrillas to fight side-by-side with the anti-Japanese army volunteers there and to render resolute support to the "28 January" War of Resistance Against Japanese Aggression in Shanghai, as well as the resistance in Chahar, Suiyuan, and other local areas. An advanced Red Army unit was also dispatched north to direct the Red Army to launch attacks in the east. In these battles many outstanding communists, including Comrades Ji Hongchang, Yang Jingyu, Fang Zhimin, and Liu Zhdan sacrificed their valuable lives.

General Xiao Ke said: Placing the interests of the country and nation above all else, our party called for joint resistance against Japanese aggression as soon as the war started and did its best to establish the Anti-Japanese National United Front, which laid down the political foundation for seizing the victory in the War of Resistance Against Japan. The outbreak of the "9 December" movement was an indication that the CPC's call for "ending the civil war to jointly resist Japanese aggression" began to turn into the conscious action of the masses of people.

After a little while, General Xiao Ke said, smiling: It was difficult to change the nature of the reactionary forces headed by the KMT Government of Chiang Kai-shek. Our party adopted a series of correct principles and

policies and carried out necessary struggles, including military struggles, to safeguard, consolidate, and expand the Anti-Japanese National United Front. History has eloquently proved that the CPC was the pillar of the War of Resistance Against Japan as well as the core of national unity.

General Xiao Ke, who had all along fought at the forefront of the Anti-Japanese War behind enemy lines, told us of his own experience: Our party was the initiator of the Anti-Japanese National United Front and also implemented it in an exemplary manner. To jointly resist Japanese aggression, the Red Army was reorganized and was quickly dispatched behind enemy lines to launch guerrilla warfare, establish anti-Japanese bases behind enemy lines, and gradually turn the battlefields behind enemy lines into the main battlefields throughout the country. Here, the old general recalled an incident that he could not forget. He said: At the beginning of September 1937, the Japanese Army dispatched large reinforcements to northeast China, and the war situation there thus became very critical. The Eighth Route Army, before completing its reorganization, was ordered to attack the enemy. I was ordered to go to Taiyuan to wait for the arrival of the 120th Division and at the same time to do some work in connection with the united front. While in Taiyuan, a 10,000-strong mass rally left a deep impression in my mind.

That day, Vice Chairman Zhou Enlai allowed me to attend the rally, and when the rally chairman introduced the Eighth Route Army, the masses warmly welcomed it. In my speech, I said the Eighth Route Army was going to the front and that it would not retreat. The audience applauded and broke into deafening cheers. This was because at that time the KMT troops were retreating from the frontline in Beiping [Beijing], Tianjin, and Nankou. The masses were greatly moved when I said the Eighth Route Army would not retreat. They knew that the Eighth Route Army was the Red Army. They trusted us. That also means that they placed their hopes in us.

History proved that this was correct. After its fourth column moved east to assist the people's armed uprising in eastern Hebei, the Eighth Route Army fought many battles with the enemy from 1938 on, and especially from the formation of the forward unit to 1941. We wiped out many Japanese puppet troops in vast areas in eastern and northern Beiping and in eastern Hebei, basically destroying the Japanese puppet district and village governments, forcing the enemy to retreat to large, medium, and small cities and important towns. Small armed units of the enemy and traitors and enemy agents dared not carry out activities rashly.

Holding a card, General Xiao Ke said: According to data, in the eight-year War of Resistance Against Japan, the soldiers and people behind enemy lines fought the enemy over 125,000 times; wiping out more than 1.7 million Japanese puppet troops and liberating an area of more than 1 million square kilometers of national soil where 120 million people lived; and establishing 19 anti-Japanese bases in 19 provinces and autonomous regions in north, central, and southern China. The main forces of the people's anti-Japanese armed forces, including the Eighth Route Army, the New Fourth Army, and south China anti-Japanese guerrillas, increased to more than 1.2 million people, while the militia expanded to more than 2.6 million people. At the same time, the anti-Japanese soldiers and people behind enemy lines also paid a great price. Casualties among soldiers topped 600,000 while those among civilians exceeded 6 million.

The old general was dejected when he talked about anti-Japanese soldiers and civilian casualties. He said: The Japanese aggressors committed heinous crimes in China too numerous to mention. Some people in Japan still try to defend the war of aggression. We will not tolerate this. With a firm voice, he warned: "We must maintain vigilance against Japanese militarism. It is foolish to slacken our vigilance. Shall we allow them to come back?"

#### Former PLA Advisor Sun Yi Profiled

HK1107085795 Beijing XINHUA Domestic Service  
in Chinese 1200 GMT 28 May 95

[Article by staff reporter Zhang Baorui (1728 1405 3843) and staff correspondent Mu Qing (3668 7230): "The Story of General Sun Yi and the Young Pioneers"]

[FBIS Translated Text] It is known to almost all the Young Pioneers across the country that there is a Mustache Sun in Beijing. He is 92 years old this year and still going strong.

This Mustache Sun is Sun Yi, former advisor to the PLA Headquarters of the General Staff. He gets this nickname from the "Gorkiy-type" mustache he has grown since he was young.

General Sun Yi, who pursued a military career all his life and has performed meritorious service for the revolution, resigned from the post of advisor to the PLA Headquarters of the General Staff on his own initiative in 1981. Since then, he has thrown all his energy into the undertaking of fostering the next generation. Over the years he has been invited by several dozen universities, as well as middle and primary schools, to be an instructor, leading a busy life of giving lectures

on revolutionary traditions and ideals. As of today, he has given more than 500 lectures to young children, and as many as 300,000 people have listened to his lectures in person. He is too busy to have a good meal, and often reaches home when it is already dark, with his two legs feeling leaden. Sometimes he is so tired that he falls asleep with his shoes on, using just an army overcoat as his quilt. He has practically no holidays or rest days, and from his daily schedule one can see that his schedule is packed to the full: On 6 May, the Chunshu Primary School in Guanganmen; on 7 May, the Qingnianhu Primary School in Guanganmen; on 8 May, participation in the founding anniversary of the "1 October" Primary School; on 9 May, the Xizhimen Second Primary School; on 10 May, the Damochang Primary School in Congwenmen. Such is the rhythm of our revered Comrade Sun's life.

Our revered Comrade Sun said to us sincerely and earnestly: "It is not correct to place stress on money only. We should also stress the tradition of hard struggle. Neither Lei Feng nor Kong Fansen focused his attention on money, and they have done the correct thing. To stress hard struggle, we mean to carry forward the tradition and forge ahead into the future. The tradition of hard struggle should be carried forward from one generation to another, and this issue should be emphasized among the young in particular. Young people are the future of our socialist country, and we should sow seeds in their childish hearts on how to become a useful person and how to take the first step in life."

The desk of General Sun Yi is loaded with letters of appointments issued by different institutions: the vice chairman of the Association for the Care of the Next Generation, the honorary instructor of the Young Pioneers of the Jingshan School, the after-school counselor of the Jinshifang Primary School, the instructor of the Xinghua Kindergarten, the after-school counselor of the Bingmasi Primary School, the after-school teacher of the No 8 Middle School. Behind

all these letters of appointment we can hear his busy footsteps. Worried about his health, his wife asks him to take things easy. He smiles: "To work for children, I always feel happy no matter how tired I am." One day when he was attending the national symposium for outstanding child educators, our revered Comrade Sun suddenly fainted and fell unconscious to the floor. The doctor diagnosed the illness as encephalitis. Four and a half months later, our revered Comrade Sun appeared on campus again. When asked what the secret he had in getting well so fast, he grinned, stroking his moustache: "You will win the final victory as long as you do not give up."

Over the past more than 20 years, our revered Comrade Sun used all his salary, after setting aside part of it for the family's living expenses, on buying books for children. The accumulated amount he has spent on the books has reached tens of thousands of yuan. At the beginning of this year, after learning that urgent help was needed for children who drop out of school in poverty-stricken areas, he began sending 300 yuan to Project Hope every month. He often goes to post offices and bookstores; purchases 20 to 50 copies of a dozen magazines, including QIUSHI, BANYUETAN, and JIANKANG; and sends them to his students across the country, more than 30 in total. Ranging from 20 to 70 years of age, some of his students are acquaintances he made when he was the president of the Second Sub-School of the Chinese People's Anti-Japanese Military and Political College in the Shanxi-Rehe-Hebei Border Region, some he chose himself, while others have come out of admiration for him. Wherever he goes, attending a meeting in a hotel, going shopping, or at the barber's, he will start a chat with young people about their work, life, and way of thinking. He even keeps up regular correspondence with some.

Such is General Sun Yi, who always works industriously and devotes all his energy to fostering the generation of tomorrow.



### General

#### Chen Junsheng on Township Firms' Export Economy

SK1107015095 Beijing XINHUA Domestic Service  
in Chinese 2243 GMT 4 Jul 95

[By reporter Wang Yanbin (3769 6056 1755): "State Councillor Chen Junsheng Stresses the Need To Develop Town and Township Enterprises' Export-Oriented Economy According to the Thinking of 'Large-Scale Economy and Trade'"]

[FBIS Translated Text] Beijing, 4 Jul (XINHUA)—State Councillor Chen Junsheng stressed at today's national export work conference of town and township enterprises that the development of town and township enterprises' export-oriented economy, a matter that bears on the whole situation, cannot be ignored. We should further accelerate the development of town and township enterprises' export-oriented economy according to the thinking of "large-scale economy and trade."

Chen Junsheng said: There are many reasons for pushing forward our country's foreign economic relations and trade at a faster speed. Of them, town and township enterprises have made gigantic contributions. They have become a vital growth node and an important new force in developing our country's foreign economic relations and trade. In the Eighth Five-Year Plan period, town and township enterprises witnessed an annual progressive increase of 40 percent in their export product delivery value. The development trend in the future is that the export-oriented town and township enterprises will account for an increasingly larger proportion in our country's foreign economic and trade activities.

Chen Junsheng pointed out: The export-oriented town and township enterprises, being an important component of our country's foreign economy and trade, should positively engage themselves in the implementation of the "large-scale economic and trade" strategy with import and export trade as its foundation; and characterized by the equal attention to the assimilation of foreign capital and the development of foreign economy and foreign trade; by the infiltration and coordinate development of the commodity, technology, capital, and labor service cooperation and contacts; and by the joint participation of the departments for foreign economic relations and

trade, production departments, scientific and technological departments, and banking departments. To this end, he urged that to develop the export-oriented economy, town and township enterprises should exert greater efforts in the following few aspects: Town and township enterprises should organize their production and management activities according to international markets, international standards, and international practice. They should continue to upgrade product quality, readjust and optimize the product mix, increase and create new advantages, and enhance competitiveness in order to meet the international market changes. They should positively and actively participate in the implementation of the strategy of rejuvenating the country with science and education; introduce, digest, and assimilate domestic and foreign advanced techniques and equipment; and cultivate and bring up grand contingents of science professionals and technicians, qualified managers, international market management and marketing talented persons, and modern entrepreneurs. We should develop small industrial zones, base enterprises, and export-oriented enterprise groups to promote the development of a large number of export-oriented town and township enterprises so as to create large-scale efficiency and regional production and management advantages. We should bring into play our geographic advantages of being along seas and rivers and having border areas to widely open ourselves to all directions. These areas should bring into play their functions for collecting and distributing talented persons, goods, information, and capital from and to foreign countries to promote the development of the export-oriented economy in all other areas and should also gradually set up an operational mechanism of transferring industries and techniques from places to places.

Chen Junsheng stressed: Developing town and township enterprises' export-oriented economy according to the thinking of "large-scale" economy and trade deals with a wide range of work. Thus, the party committees and governments at various levels and the departments concerned should pay high attention to, care for, and support the work. The governments at various levels should put this work in an important position. Vigorously developing town and township enterprises' export-oriented economy is a big trend of our country's reform and opening up, a major force to give impetus to the new development and improvement of town and

township enterprises, and a major strategy for our country's economic and social development. All localities should grasp the current favorable opportunities at home and abroad, expand the scale of opening up, bring their advantages into play, and strive to elevate the development of town and township enterprises' export-oriented economy to a new height.

#### **Industrial Sector Continues Growth in First Half**

*HK1107084895 Beijing CHINA DAILY in English  
11 Jul 95 p 1*

[Article by Wu Yunhe: "Industry Showing Steady Growth"]

[FBIS Transcribed Text] China's industrial sector continued to grow during the first six months of the year amid government efforts to rein in more capital investment, according to the State Statistics Bureau.

In a monthly report released yesterday, the bureau said industrial incremental output chalked up a year-on-year increase of 14 per cent to hit 856.6 billion yuan (\$103.2 billion) during the first half of 1995.

The bureau stated that the country's industrial performance is "basically normal," with improved sales and an impellent business environment.

Nevertheless, bureau economists suggested that industrial officials and business leaders take every chance to bolster the efficiency of their enterprises which are still faced with obstacles to growth.

They noted that these include the persistent "triangular debt chains," shortages of working capital and the chronic operational losses which continue to haunt many industrial enterprises.

The bureau said that, in response to the government target of maintaining a moderate and sustained economic growth, most industrial firms have been striving to improve their economic efficiency.

During the first six months of the year, the industries sold more than 94 per cent of their newly produced goods, an increase of 1.86 percentage points over the same period last year. As more Chinese factories set their production quotas according to their clients' orders, the year-on-year production growth of Chinese factories has remained stable this year. It stood at 14.4 percent during the first quarter of the year and was 13.9 percent in June.

The bureau said that, prompted by strong demand for consumer products on the domestic market, the country's light industries were gathering a faster pace of growth than heavy industries. During the first six months of the year, the incremental output value of

heavy industries racked up a year-on-year increase of 10.5 percent. However, that of the light industries racked up a yearly increase of 18.8 percent during the same period.

On the Chinese market, light industries' top sellers included textiles, household electrical appliances and consumer goods especially designed for summer.

Production of agricultural equipment, energy and raw materials also maintained steady growth during the first six months of the year as factories tried to meet the domestic demand for such products.

#### **Onshore Oil Output 3.6% Over Target in First Half**

*HK1107085595 Beijing CHINA DAILY in English  
11 Jul 95 p 5*

[Article by Chang Weimin: "Onshore Oil Output Surpasses Target"]

[FBIS Transcribed Text] China's onshore oil production was 3.6 percent over target in the first half of this year, the China National Petroleum Corp (CNPC) reports.

In the January-June period, onshore oil fields produced 69.72 million tons of crude oil, 347,300 tons more than the same period last year. Output of natural gas stood at 7.87 billion cubic metres, an increase of 43 million.

Stability marked production all through the six months. Daily output averaged 383,000 tons.

In June, daily production reached 390,000 tons. This signals stable production in the year's latter half, the corporation said.

Daqing, located in Heilongjiang Province, pumped 27.81 million tons, 0.2 percent more than the target.

Fields in the Tarim basin, in the Xinjiang Uygur Autonomous Region, produced 1.3 million tons of oil, 33 percent more than the same period last year. The fields are expected to become a key petroleum production base in the next century.

CNPC is building a 310 kilometre-long pipeline to carry 3 million tons of oil and 400 million cubic metres of natural gas out of the basin annually.

The basin is located in the Taklimakan desert.

The pipeline, expected to be the longest across a desert, is scheduled to be completed by July 20 next year.

The pipeline will stretch from Tazhong 4, the largest oil field in the Tarim basin, to Lunnan at the fringe of the desert. There it will connect with the current pipeline to Korla, an important city in southern Xinjiang.

The pipeline is expected to promote petroleum development in the basin, which is believed to contain more than 10 billion tons of crude oil.

A fibre-optic communications cable will be laid along with the pipeline.

Special measures will be adopted to protect the pipeline from erosion and attacks by frequent desert storms.

In another report, CNPC said that the daily output of the Cainan oil field in Xinjiang's other vast basin, the Junggar, has reached 4,100 tons. The corporation said its investment in the oil field, one of the biggest in Xinjiang, will be recouped by June next year. By the end of June, 2.5 million tons of crude oil had been produced. The oil field went into production at the end of last year but the well started producing earlier, in a trial phase.

CNPC attributes the field's efficiency to technical progress, saying the development of techniques adaptable to desert conditions has dramatically cut the costs of engineering and maintenance.

The Cainan field, which has the capacity to produce 1.5 million tons a year, has an automatic management system that cost 60 million yuan (\$7.2 million). The field operates with a work force of only 150. It used to require more than 2,000 people to operate such a field.

### Finance & Banking

#### \*Article Views Impact of Dollar-Yen Rate Changes

95CE0473A Beijing JINGJI CANKAO BAO  
in Chinese 14 Apr 95 p 1

[Interview with Liu Ya, associate professor, Chinese University of Finance by unnamed reporter: "How Should China Deal With the Sharp Appreciation of the Japanese Yen? An Interview With a Fiscal Expert, Professor Liu Ya"; date and place not given]

[FBIS Translated Text] *Editor's note:* Since February of this year, the Japanese yen has been appreciating in the international foreign exchange market relevant to the U.S. dollar, repeatedly reaching new historical highs. It is approaching the critical point of \$1 to 80 yen, an economic phenomenon which has drawn worldwide attention. Japan is one of China's most important economic and trading partners. The rapid appreciation of the yen against the U.S. dollar has and will continue to have an effect on China. Evaluating and measuring these economic effects precisely as well as taking corresponding counter-measures are drawing increasing Chinese attention. This paper especially assigned a reporter to interview Associate Professor Liu Ya [0491 0068] of the Chinese University of Finance, during which he an-

swered questions submitted to him by the correspondent. [end editor's note]

[JINGJI CANKAO BAO] How does the yen's continuous appreciation affect the Chinese economy?

[Liu] The rapid appreciation of the yen against the dollar has impacted the Chinese economy in two aspects, one harmful and one beneficial; the harmful aspect has been in a dominant position.

In the macroscopic view, the sharp appreciation of the yen against the dollar has affected China's economy in two ways: First, it affects Chinese imports of advanced technology from Japan. Statistics show that in 1994, imports from Japan occupied about 22.75 percent of China's total imports, with hardware technology imports constituting quite a large share of this. Most of these imports were calculated according to the yen. Therefore, in a situation where the yen appreciates rapidly against the dollar, where China uses U.S. dollars to purchase yen to pay for its imports from Japan, and the cost of the U.S. dollar rises abruptly, it is obviously very unfavorable to China to import advanced technology from Japan. Second, it adds to China's burden in repaying its yen debts. In recent years, China has annually been accumulating yen debts due to issuing yen bonds and collecting yen loans. At present, yen debt occupies about one-fourth of China's total foreign debts. Because of the yen's rapid appreciation vis-a-vis the dollar, when China uses dollars to buy yen for payment of yen debts, and the cost of the dollar increases rapidly with it, it adds greatly to China's debt load. It is estimated that any time there is a rise of one percentage point in the yen against the dollar it adds more than \$200 million extra to China's Japanese debt load.

In the microscopic view, the rapid rise of the yen against the dollar affects China unfavorably by abruptly increasing the foreign exchange rate risk. First, if domestic importers or other relevant entities need to use dollars to buy yen for payment of import expenses or relevant labor costs, they will suffer economic losses by paying extra dollars due to the yen's rapid appreciation. Second, if domestic yen debt carriers need to buy yen with dollars to pay off yen debts, they will also suffer the economic losses of paying extra dollars. Third, the U.S. dollar is a very large proportion of the currency variety mix of China's foreign exchange reserves, while the Japanese yen is a smaller proportion. When the yen rapidly appreciates against the dollar, the value of China's foreign exchange reserve account will fall quickly if calculated in yen, and China will therefore incur economic loss in their account. Since China has less yen reserves in its foreign exchange reserves while



making more payments in yen, it often must move dollar reserves to purchase yen to pay off imports calculated in yen or yen debts. In these circumstances, economic losses to the account in China's foreign exchange reserves will often become actual economic losses.

The yen's rapid appreciation has also had a negative impact on the Chinese economy. Without question it has added to the national financial burden, and to the burden of related economic entities. The increase in these two kinds of economic burden will shift to the microeconomy and the macroeconomy in many aspects and produce further complex negative effects. For example, the additional national financial burden will inevitably affect the state fiscal budget and financial capital allocation for some key construction projects. The added burden on related entities will inevitably cause further trouble with mutually deferred capital repayments which already exist, and inevitably will affect banks' returning credit loans on time and the financial incomes of both central government and localities, etc.

[JINGJI CANKAO BAO] With the appreciation of the yen having such a major negative impact on the Chinese economy, what countermeasures should we take?

[Liu] Faced with the serious situation of the yen appreciating against the dollar, the state and related economic entities must vigorously adopt appropriate countermeasures and make corresponding strategic arrangements and tactical adjustments at both the macro and micro levels in order to reduce to the minimum level possible the impact that the appreciation of the yen has on the Chinese economy.

Taking the macroscopic view, these are the alternative countermeasures: First, establish a Sino-Japanese government discussion system, and try to obtain the Japanese government's enthusiastic cooperation for China's efforts to control the negative impact the yen's appreciation has on the Chinese economy. It must be perfectly clear to the Japanese that if there are massive economic losses for China caused by the yen's appreciation, it will inevitably affect Sino-Japanese economic and trade relations, and damage Japan's own economic profits. Second, adjust China's mix of regional imports, reducing the proportion of our total imports which come from Japan, and change the situation of relying heavily on Japan for technology and other imports. Third, adjust China's foreign debt foreign exchange currency varieties, reducing the proportion of total foreign debts which are in yen; this sort of foreign debt currency adjustment can be accomplished by reducing the proportion of such hard currencies as the Japanese yen and raising the proportion of soft currencies such as the U.S. dollar.

In the microscopic view, the alternative countermeasures are for related economic entities to strengthen foreign exchange rate risk management as the yen appreciates. Therefore, related economic entities must first of all strengthen their foreign exchange rate risk awareness and their monitoring of the Japanese yen versus the U.S. dollar exchange rate to fully understand and precisely control the damage and seriousness caused by the yen's appreciation against the dollar. On this basis, voluntarily making good use of such measures as currency selection and value preservation, etc., to avoid and control the risks in the yen's appreciation; as well as employing such financial tools as short-term and long-term foreign currency exchange, adjusted term exchange, currency future exchange, currency future rights exchange, and currency mutual replacement, etc., through domestic financial institutions; and applying a set of term value preservations will control the risk that lay in the yen's appreciation vis-a-vis the dollar.

#### **Expert Views Growth of Foreign Exchange Reserves**

95CE0423B Beijing JINGJI CANKAO BAO  
in Chinese 3 May 95 p 1

[Interview with Xiao Zhouji, economics professor, Beijing University by staff reporter Zhou Qifu (0719 0366 3940): "How To View the Rapid Growth of China's Reserves of Foreign Exchange; An Interview With Economics Professor Xiao Zhuoji"; date and place not given]

[FBIS Translated Text] [Begin editor's note] The State Statistical Bureau has just announced that up to the end of this March, China's foreign exchange reserves have reached US\$58 billion. This was an increase of more than \$6 billion since the beginning of this year, 1.8 times again that of the \$20.4 billion at the beginning of last year. In just over one year, China's foreign exchange reserves have grown at such a rapid pace it has drawn widespread attention both domestically and internationally. How to view this rapid growth? Our staff reporter recently interviewed the economist, Beijing University Professor Xiao Zhuoji [5135 3504 1015].

[JINGJI CANKAO BAO] The rapid growth of China's foreign exchange reserves has drawn worldwide attention. What do you make of this?

[Xiao] This is good news, of course. We can analyze it from three aspects.

One, it demonstrates that China has sufficient foreign exchange reserves. In today's world, the volume of foreign exchange reserves is important proof of the

economic power of a country or a region. The more foreign exchange reserves there are, the greater the promise of China's domestic economic balance; this also improves our international financial reputation, and benefits our conducting international economic technological cooperation and absorption of foreign capital as well as aiding further reform and opening to the outside world.

Two, it indicates that there have been significant achievements in China's foreign exchange system reform. At the beginning of 1994, China implemented foreign exchange system reform, changing the dual system of an official and market-regulated exchange rate to a unified floating exchange rate system. For more than a year, China's foreign exchange price has remained stable. The renminbi exchange rate versus the U.S. dollar rose while remaining stable; in the beginning one US dollar could be exchanged for 8.7 yuan renminbi, and now it is around 8.42 renminbi. Reform of the foreign exchange system not only has not reduced our foreign exchange reserves, it has increased it.

Three, the increase in foreign exchange reserves has brought benefits to the state's growing regulating power, which promises stable and healthy development of the economy. The reason is simple: If certain domestic economic trade tends to be tight, for example when natural disasters create short harvests of grain, cotton, etc., the state can use part of its foreign exchange reserves to store imported grain and cotton; if there are shortages of industrial products or consumer goods, it can also use foreign exchange reserves to make purchases which will keep domestic demand and supply in general balance.

[JINGJI CANKAO BAO] There has been much commentary in the overseas and domestic media regarding the rapid growth of China's foreign exchange reserves. These comments have claimed it is both favorable and unfavorable to China. What do you think is "unfavorable"?

[Xiao] I think that on the one hand this overly rapid growth of foreign exchange reserves occupies a great amount of renminbi. Since China conducts a very strict foreign exchange balance system and the People's Bank of China directly participates in the interbank foreign exchange market, the increased basic currency issue for purchasing foreign exchange was as high as more than 300 billion yuan last year, and increased the pressures which restrain inflation.

On the other hand, the depreciation of the U.S. dollar, while helping China's foreign exchange reserves to grow rapidly, has also brought very great losses. Every-

body knows that the U.S. dollar constitutes more than 80 percent of China's foreign exchange reserves. From the beginning of the year, the international exchange rate has fluctuated wildly; the yen and the mark rose rapidly while the U.S. dollar repeatedly depreciated. After breaking through the critical point of 100 yen to the dollar at the beginning of the year, it broke through the 80 to 1 gate for a while during the middle of April. Comparing the dollar's special withdrawal rights price announced by the IMF at the end of 1994 to the current price, China's foreign exchange reserves have quietly lost several billion U.S. dollars in value.

[JINGJI CANKAO BAO] Since the rapid growth of foreign exchange reserves has both unfavorable and favorable impacts, how can we promote the benefits and avoid the disadvantages?

[Xiao] Taking good care of China's foreign exchange reserve is a matter which presents major policy and operational difficulties. It needs joint research by national departments responsible for foreign exchange and economics. My personal opinion is that we must do the following tasks well:

One, we must maintain our foreign exchange reserves on an appropriate scale. One way it is expressed internationally is that the appropriate scale of foreign exchange reserves for a nation is about equal to that country having enough foreign exchange for three months use in imports. Another thing is to gradually regulate China's foreign exchange reserve mix. Generally speaking, foreign exchange reserves should reserve more currency which is tending to rise in value while reserving less in currency which is depreciating. For our country, the foreign exchange reserves should change from the present situation of focusing on the U.S. dollar to increasing our reserves of such currencies as the yen and the mark, in order to reduce the risk from fluctuation of the international market exchange rate. Since the U.S. dollar's international currency reserve position is steadily weakening, we need to study the currently implemented renminbi-exchange-rate-level issue to suit international market changes and the demands of China's foreign trade.

I believe it is urgent that we pay close attention to the trends of the international financial market, that information is controlled promptly, and that countermeasures are established in order to avoid and reduce the unfavorable impact on China of sharp changes in international foreign exchange rates during China's continuous increase in foreign exchange reserves.

**\*Commentary on 1995 Stock Market**

95CE0423C Beijing ZHONGGUO XINXI BAO  
in Chinese 6 Apr 95 p 2

[Article by Xu Xiongfei (1776 7160 7378): "China's Stock Markets: Review and Outlook"]

[FBIS Translated Text] 1994 was a year of major adjustment in the stock market: the da pan [1129 4149] index dropped, the Shanghai Exchange Center's combined stock index fell from 833.80 at the end of 1993 to 647.87 at the end of 1994, a decline of 22 percent; the Shenzhen Exchange Center combined stock index dropped from 238.27 at the end of 1993 to 140.63 at the end of 1994, a decline of 41 percent. Looking at the entire year's exchange situation, there were 10 months in which the stock market was going through an adjusting and declining trend.

In 1994, the scale of the market expanded further. For market capacity, the total volume of securities marketed at the Shenzhen and Shanghai Exchange Centers in 1994 was 463 units, a 50 percent increase over the year before. There was a total of 289 companies on the market, an increase of more than 100 units over the year before. The year's total marketing volume was 63.8 billion yuan, a more than 50 percent increase; looking at the total volume of exchange, a total of 812.8 billion yuan was exchanged at the Shenzhen and Shanghai centers during the year, more than double that of the year before. Looking at the number of investors, there have been as many as 550 members of the Shanghai Exchange Center, with 3,721 seats, a 123 percent increase compared to 1993. The number of investors has reached 6 million, a 30 percent increase. The Shenzhen Exchange Center has 496 members with 767 seats, a 120 percent increase over 1993.

Last year was also a year of a dramatic up-down change in the stock market. At the beginning of the year, the combined index in the Shanghai and Shenzhen Exchange Centers was 907 points and 245 points respectively; after that, it began a comprehensive fall. By July, it fell to the bottom: The closing index at the end of the month in Shanghai was 333 points, and closed at 96 points at the end of the month in Shenzhen. Facing this situation, the voice of the again-booming market became increasingly higher, and the "three major policies" were implemented against this background. Excited by the good profit news, China's stock market, which had been depressed for over half a year, began a rapid recovery; during the short 31 trading days after 1 August, the Shanghai stock index rose rapidly by 320 percent, the Shenzhen stock index rose rapidly by 245 percent. The Shanghai exchange market also had two consecutive days in which the daily exchange volume

was more than 15 billion yuan. After that, starting from the middle of September, the stock market began to fall again. During the 16 trading days from 13 September to 6 October, the Shanghai stock market once more declined by 54 percent, and the Shenzhen stock market by 55 percent, which made people feel the shock of the stock market risk. After mid-October, stock market operations tended to be stable.

Observing the situation in other countries, stock market fluctuation is a very natural phenomenon; however, massive shocks occurring during a short period reflects an immature market and too much speculation.

In 1994, there were significant achievements in China's economic reforms, with successful progress in the seven major system reforms, such as; finances, taxes, foreign trade and foreign exchange, etc. The economy grew rapidly, with the GDP breaking through 4 trillion, an increase of 11.8 percent. But in the meantime, it also incurred severe inflation. In order to control further inflation, the central government and the State Council gradually increased the force of macroregulation, and the policy of shrinking money was carried out throughout the year. The policy produced had some great effects on the stock market. One was that the year's credit scale was controlled with a planned volume; in a situation where production capital tended to be short, it was hard to move more capital to put into the stock market. Two was that direct financing management was quite strictly controlled, and irregular channels such as enterprise fund collecting were limited. Three was the implementation of a subsidy for value preservation, which greatly improved the return rate on treasury bonds and savings deposits, but distracted stock market capital.

After experiencing the huge fluctuations in the 1994 stock market, various kinds of irregular behaviors have received sufficient attention, and the management level's thoughts of steady development with a stable future laid the groundwork for this year's stock market development.

Looking at the macroscopic basic aspects, the main tune in 1995 will still be a tightened fiscal and monetary policy. Under a series of firm measures from the central government, inflation has shown indications of falling; there is a very great probability of accomplishing a soft landing of the macroeconomy, and this will be favorable to restoring and perfecting the structure of the stock market and providing a good macroenvironment for stock market development.

Looking at the development of the stock market itself, 1995 will be a key year for the market to head into regularization. With comprehensive promotion of the



modern enterprise system, the focal point of management departments will be regulating marketed companies' behavior and improving the quality of marketed companies, strengthening market monitoring and regulating market behavior. This will be done to provide real protection for the interests of investors, especially small and medium-sized investors. It is expected that every item of the securities regulation law will be issued in succession, and will be applicable in law to stock market operations.

Looking at the capital situation, the stock market will not have a huge recovery this year. The issuance of 150 billion yuan in new treasury bonds undoubtedly was a major distraction for the stock market. The good returning rate of newly issued treasury bonds and the nature of their circulation has been very attractive to ordinary investors, and is especially so in a depressed stock market situation. To institutional investors, the bright treasury bond and futures market and the contradiction between future supply and demand mix will for a long time inevitably arouse strong interest among institutional investors in newly issued treasury bonds; against a background of high inflation, marketization of the treasury bond interest rate means a continuous rise in the treasury bond interest rate. Adding this to expansion of treasury bond capacity, will distract a huge amount of social capital; this is a true factor in draining stock market interest.

After all, the future of the stock market will depend on the relation between stock market demand and supply. Looking at the supply in 1995, the expansion capacity of stock market A will not completely open up although it will not stop either. The basic principle for capacity expansion is slow rather than disorderly; looking at demand, pension insurance funds will not participate in the market in the short term, while it will be hard to get foreign capital into the market in 1995; plus, the government will continue to regulate financial markets, including the capital inter-lending and securities market. Because short-term capital interlending is an important source of stock market capital, relevant regulatory measures will inevitably reduce the capital supply to the stock market.

Generally, looking at the basic factors, policy factors and market demand and supply, the overall situation of the stock market in 1995 will be small fluctuations from the present level. The degree of fluctuation will be significantly smaller than last year.

**Article Seeks Broader Financial Role for Trusts**  
*95CE0441A Beijing JINRONG SHIBAO in Chinese*  
*1 Jun 95 p 4*

[Article by Zhou Xiaoming (0719 1420 2494): "First, We Need Normalization; Second, We Need Development"]

**[FBIS Translated Text] A. Leave Areas of Mismanagement**

In developed countries such as Britain, the United States, and Japan, the trust, banking, and insurance industries act independently and defiantly against one another. They are called the three major pillars of the modern financial industry. Since its restoration in 1979, the financial trust business has run thick and thin for 15 years. We cannot deny the fact that great development has been made in the past 15 years. As of now, there are 391 trust investment institutions with a total investment of 640 billion yuan (including properties both in Renminbi and foreign exchange). However, our data show that trust properties only account for 10 percent of the total assets in the entire financial industry in China. The share of pure trust funds is even smaller, just like a "little lotus plant showing its bud slightly above the water." Moreover, since its re-emergence, the trust industry in China has plunged into the strange cycle of "development — consolidation — more development — more consolidation." After experiencing several ups and downs, it still finds itself in this strange cycle. Furthermore, the industry is faced with a more severe test now. In the course of deepening the reform of the financial system, a general principle of "managing different businesses along separate lines" has been adopted. Right now, the financial trust industry has reached the crossroads at which it must decide upon which path to follow.

There are many reasons for the adverse fate and slow development of the trust industry. However, the most crucial reason is that the trust industry has been operating in the wrong area from the very beginning. Besides, its relation with the banking industry is too close to unravel. It is hard to sever its relation with the banking industry.

The original intent for China in developing the financial banking industry was to make up for the inadequacy of the traditional trust business of banks and compensate for their deficiencies. Due to the policy of controlling

state finances in the early 1980's when planned economy held sway, banks were unable to handle some kinds of business (such as loans of a compensatory nature), particularly the long term credit business. Thus, the financial trust industry was regarded as a fine way to work around macroeconomic controls and do business which the banks were unable to do. This business was called "trust business." Deposits and loans in the trust industry are often called trust deposits and loans, and trust investments in order to distinguish them from the regular deposits and loans in the banking industry. However, the actual operation of the trust industry is the same as that of the banking industry in terms of deposits and loans. In essence, the trust industry is doing the same business as the banking industry. The characteristics of the financial trust industry are not clearly delineated, and the industry has been operating in the wrong area. Structurally, the overwhelming majority of the trust institutions in China are affiliated with various major banks. They are unable to set themselves apart from the banking industry administratively, financially, or operationally. As for their staff members, most of them come from the banking industry. They are familiar with the banking business, but they are not so familiar with the trusts. Naturally they tend to use the same methods that they used with bank credit loans to handle trust transactions. From the macro-control point of view, the central bank supervises and controls the trust industry in the same way as it does with commercial banks. It treats the trust industry in the same manner as the banking industry in implementing its policies on interest rates, reserve deposits, and management. No wonder members of the financial trusts have always been called "small banks" and regarded as supplements or extensions of the banking industry.

Meanwhile, the trust industry also extends its range of business to the stock and real estate markets and even engages in trading in order to survive. It becomes a "multifunctional company" which seizes upon every opportunity to do business and is capable of doing everything. This kind of operation is obviously harmful to the normal financial order and the entire economic order. It is natural that the trust industry will become a target for the state in exercising its macroeconomic adjustment and control.

There is no doubt that the predicament of the trust industry is partially caused by state policy itself. However, the main reason is that the industry has been operating in the wrong area and has not displayed its own characteristics. It has lost sight of its own goal for long term development. Because the financial trust industry bears the word "trust," it is surely not the same as any commercial bank in general. Still less is it equal to any securities company. There is nothing clearly defined as

to state policy on whether or not the financial trust industry should be allowed to concurrently handle both banking and security business. However, the "roots" of the financial trust industry are in the "trust business," not in banking and securities. If this point is not kept in mind, the financial trust industry will become water without a source. Discussing its future development will be out of the question. Therefore, to get back on the right track, we must pay full attention to delineating the characteristics of the trust industry, vigorously open the trust market and blaze new trails for developing the financial trust industry.

The true meaning of trust is a matter of separating ownership of the fiduciary estate from its proceeds. Legally the title of the fiduciary estate belongs to the trustee who manages, invests and makes arrangements for the estate. However, all proceeds generated from the investment belong to the beneficiary or should be used for the specific purpose designated by the trustor (such as public welfare). To quote a saying in this trade, the "trust industry is entrusted by people to handle financial affairs for them." In order to make a profit, the trust industry charges a certain fee as its remuneration for the service. A trust operation of this kind is precisely the anchor point of the trust industry and is a special feature which differs from both the banking and security industries. It is precisely on this foundation that the trust industry stands as one of the three major pillars of the financial industry.

## II. Restore True Features

The question lies in just how much potential can be tapped in the trust market at the present stage. Is there a large enough trust market to help the trust industry survive and develop? People in the trust industry have doubts and are worried about these questions. They believe that the current system and the social, economic, and humane environments are not strong enough to provide the trust industry with soil rich enough to grow. This kind of worry is not without good reason. It is known to all that the foundation for the trust business is the fiduciary estate. Is there a broad fiduciary estate market? Are there enough fiduciary estates? All these questions will determine the success or failure of the trust industry.

It should be admitted that limited by the degree of economic development, the amount of properties in the hands of individuals and enterprises is not abundant. That is a fact. However, we should also realize that there is a large amount of state properties in China which need to be effectively managed. Following the development of the market economy, assets in the hands of Chinese residents will grow significantly. Even now, this amount

already has become quite large. (According to the latest statistics compiled, the total amount of personal saving deposits exceeds 2 trillion yuan, which accounts for 55 percent of all deposits.) Following the development of the public welfare and social security services, there will be a huge amount of funds for such services. These funds should be placed under specific management. Enterprises are being incorporated and development of the stock market is steady and healthy. The number of portfolios also increases with each passing day. All these are rich trust resources which leave a large area for the development of the trust market. The key lies in whether or not these resources can be used by the trust industry. Can the trust industry compete with others to manage these resources? All this particularly requires the support and guidance of state policy.

The problems for the trust industry in China at present are caused by the system in two ways. One is the unreasonable restriction on trust properties. According to the existing regulations, the trust industry can only handle trust properties from the following sources:

1. Funds entrusted by financial departments for investment or loans on behalf of beneficiaries.
2. Funds entrusted by enterprises for investment or loans.
3. Funds for the welfare of labor entrusted by labor insurance institutions.
4. Scientific research funds entrusted by such research units.
5. Funds from various types of societies and foundations.

The trust industry may accept funds only from the aforementioned sources. No property in other forms can be accepted. Nor can any individual or legal person of an enterprise entrust the industry to make investments. In addition, the minimum time limit for trusteeship is one year. Since no trust properties other than funds can be accepted, and individuals and legal persons of enterprises are excluded in the trust business, the foundation for its development is undoubtedly weak.

The other problem caused by the system is the decentralized state of affairs in terms of property control. Right now, large amounts of idle money in society are controlled by various local authorities or departments concerned and are deposited into their own "little treasuries." The trust industry cannot gain access to such funds. A good example is the pension fund. This has made it even harder for the trust industry to survive and develop.

Thus, if we plan to normalize activities in the trust industry and further develop the industry under the guidance of the general principle of "managing different businesses along separate lines," we must change our policy and remove the obstacles which prevent it from developing. On the one hand, we must adopt legislative measures to lift the various restrictions on trust properties so that all types of properties (including personal effects, fixed properties, tangible and intangible properties) and all main bodies of the economic sector (state institutions, enterprises and individuals) will be able to enter into the trust market. This is not something new. It is an international practice and a necessary measure to restore the true features of the trust industry. On the other hand, the government should strive to eliminate the decentralized state of affairs in various localities and departments in terms of funds and property control so that the trust industry may also gain access to the idle money in society. A unified money market was originally an intrinsic requirement for developing the market economy. The trust industry has some unique features which are good for utilizing funds with specific targets such as public welfare funds and pension funds. The government should take the initiative in making use of its policy (such as taxation) to make such funds available to the trust industry. The Japanese government provides meaningful guidance to help the trust industry manage pension and public welfare funds. In recent years, the Hong Kong government also has taken the initiative in helping the trust industry manage government retirement funds by providing the industry with preferential treatment in taxation. The experience in these countries and regions is something of which we can make use.

As a system for transferring and managing properties, the trust industry has many unique advantages over other similar systems (such as procurement and inheritance). The use of trust funds is also quite flexible. Trust funds have been extensively used for a long time in Britain and the United States to achieve a variety of goals in the realms of civil affairs, commerce, and public welfare. As noted by Prof. Scott, a well-known U.S. scholar on trust law, the application for trusts knows no bounds, not unlike the imagination of mankind.

#### Computers Help To Modernize Banking

95ce0441b Beijing JINRONG SHIBAO in Chinese  
30 May 95 p 1

[Article by correspondent Fang Jianguo (2075 1696 0948): "Leap Over Epoch — Roundup of Developments in Computerizing Banking Industry in Past Decade"]

[FBIS Translated Text] People perhaps remember that even a few years ago, the procedure for depositing



and withdrawing money from the bank was still quite complicated.

It took about one or two months for the bank to collect payments. It was necessary to deposit the money in the bank for one month before one actually had the foreign exchange on hand.

Due to manual operation and the backward technology, no one knows how much time is wasted in depositing, withdrawing, and remitting money. Even more serious is the fact that all this affects the rate of fund utilization. This loss is beyond estimate.

Knowledgeable people point out that by utilizing the computer network enterprises could save large amounts of interest. If the time funds in transit in China could be reduced from seven-ten days to two days, China would have additional circulating funds totaling tens of billions of yuan each day for its economic activities.

Past practice has helped people realize that in order to build the socialist market economy, we must quicken our step in modernizing the banking industry and that the modernization depends to a great extent on scientific and technological progress and the speed and quality of computer systems for the banking industry. The efficiency and the ability to exercise macro-control over the money flow greatly affect the speed in accumulating public wealth and carrying out commodity exchange. Therefore, they affect the development of the entire national economy.

The CPC Central Committee and the State Council attach great importance to computerizing the banking industry. When General Secretary Jiang Zemin inspected the general clearing center of the People's Bank of China, he pointed out that "following the establishment of the socialist market economic system, the banking industry has played an even more significant role in social life. To computerize the banking industry and build a sound financial information network is of great significance in modernizing the banking facilities and helping the central bank exercise its task of macroeconomic adjustment and control." Even more inspiring is the fact that the 3d Plenary Session of the 14th CPC Central Committee has listed the requirement to computerize the financial business in establishments as an important item in its agenda. The communique of the session, a document of historical significance, pointed out, for the first time, that "efforts must be made to establish a computer network for the banking system, expand the use of such network for clearing commercial bills and checks, enforce strict discipline, improve settlement efficiency, and energetically promote the use of credit cards in order to reduce the amount of cash in circulation." This has helped develop the banking industry.

The process of computerizing the banking industry in China started with the use of manually cranked mechanical calculators and mechanical accounting machines. It began to develop in tandem with the progress in computer science. China imported the first electromagnetic anacom in 1957. In 1974, it used the 61/60 electronic computer systems on a small scale. In 1980, China imported, for the first time, a batch of M150 mini-computer systems; and used computers in various banking departments in Beijing, Nanjing, Tianjin, Xian, Guangzhou and other cities for checking accounts and providing on-line services such as handling savings and selling and buying foreign exchange.

Since the development of the reform and opening-up program, particularly over the past ten years, outstanding results have been attained in the use of computers in the banking industry. Right now, the banking industry in China is undergoing changes of a revolutionary nature. It has adopted new and high level technologies to change its business tactics and organizational structure, expand its services, and energetically promote the use of electronic money. It also is striving to accelerate its pace in building a complete telecommunications network. As of now, its total investment in computerizing its business departments has exceeded 8 billion yuan renminbi. A basic network of electronic equipment for the banking industry has begun to take shape. As of the end of 1994, the banking system had installed more than 200 large and medium-sized computers, over 130,000 mini and micro-computers, more than 3,600 automated checkout counters, and over 58,000 banking business centers with electronic devices which account for over 45 percent of the total number of such business centers. More than 60 percent of over-the-counter transactions in the banking industry are processed by computers. The number of credit cards issued has surpassed 8.4 million, and the number of special account holders has reached 135,900. Meanwhile, a nationwide financial telecommunications network is gradually taking shape. The nationwide inter-bank on-line electronic system on the special financial telecommunications satellite network has been open for fund transfer among 1,000 cities and counties during the period of the Eighth Five-Year Plan. It has handled over 30,000 transactions totaling 30 billion yuan per day. It has simultaneously fulfilled the task of fund transfer and that of account settlement among different localities and financial institutions; it has greatly accelerated procedures for account settlement, and taken an important step forward in using modern methods to reduce the funds in transit by tens of billions of yuan per day. As a component part of a modern financial payment system, the first stage of the nationwide satellite telecommunications network for stock exchange has been completed, rendering the procedure of stock exchange paper-less.

In addition, the modern financial payment system in China, which is a major task in computerizing the banking industry, is set for the Eighth Five-Year Plan and has entered the stage of enforcement. The establishment of this system will greatly narrow the gap between China and the developed countries in making payments. Right now, projects to carry out experiments in international bidding and to make simulated tests for disbursement on a trial basis are being developed more intensively.

Under the guidance of the principle of "taking a firm hold of applications and promoting development," scientists in the financial field have scored remarkable achievements in developing various applications such as those that establish interbank ties, clear checks, settle international accounts, handle businesses in foreign exchange, and process deposits or withdrawal by using ATM cards. All these applications are extremely useful. They have fundamentally changed the traditional way of conducting banking business in China and have improved economic efficiency in society.

While developing both the hardware and software, China has also trained a large number of engineers and technicians for its banking industry during the past decade. Various banks have established engineering and technical departments at all levels and formed a management system for science and technology. The system has trained about 35,000 computer engineers and technicians, of whom thousands hold medium and high ranking engineering positions.

After more than 10 years of development, the banking industry in China has leaped from the era of manual operation to an era of electronic operation. However, China still lags far behind the Western developed countries in using computers for the banking industry in terms of general scale, speed, technology and investment. A large amount of investment is needed to computerize the banking industry. The issue of money is a factor which restrains the pace in popularizing the use of computers in the banking industry. In addition to offering preferential treatment to encourage the use of computers, we must provide a steady supply of funds for this purpose. To computerize the banking industry, we must not only keep pace with our development in terms of funds, technology, application, and security, but also demand that a series of changes be made in the management system for the banking industry. Only by computerizing the banking industry while modernizing the business management system in various banks, will it be possible for us to become more competitive.

## Foreign Trade & Investment

### PRC Newly Revised Trademark Law Announced

95CE0489A Beijing GUOJI SHANGBAO in Chinese  
21 Jun 95 p 2

[Article: "People's Republic of China Trademark Law Detailed Implementing Regulations (State Council-Approved 3 January Revision, State Council-Approved 15 July 1993 Second Revision, and State Council Approved 23 April 1995 Third Revision)"]

#### [FBIS Translated Text] General Provisions

**Article 1** These detailed implementing regulations have been drawn pursuant to the provisions of Article 42 of "People's Republic of China Trademark Law," (hereinafter termed the "Trademark Law").

**Article 2** An applicant for trademark registration must be a legally founded enterprise, institution, social group, individual industrial or commercial household, or individual partnership established according to law, or an alien or foreign enterprise that meets the provisions of Article 9 of the "Trademark Law."

Provisions of these detailed implementing regulations pertaining to commodity trademarks apply to service trademarks.

**Article 3** Applicants applying for trademark registration, conveyance of registration, continuation of registration, personal name or address change, or "trademark registration certificate" replacement may commission a State Administration for Industry and Commerce-approved trademark proxy organization to serve as agent, or they may handle procedures directly themselves.

Foreigners or foreign enterprises making application for trademark registration or handling other trade matters shall commission a State Administration for Industry and Commerce-designated trademark proxy organization to represent them.

International trademark registration shall be handled in accordance with the "Madrid International Trademark Registration Agreement."

**Article 4.** Fees must be paid according to regulations when applying for trademark registration, conveyance of registration, continuation of registration, personal name or address change, trademark registration certificate replacement, trademark examination and appraisal, and other applicable matters.

**Article 5.** The Trademark Bureau of the State Administration for Industry and Commerce (hereinafter abbreviated as Trademark Bureau) shall establish a "Trademark

Registration Book" for the recording of registered trademarks and applicable registration particulars.

The Trademark Bureau shall print and publish SHANG-BIAO GONGGAO [TRADEMARK GAZETTE] for the publicizing of trademark registrations and other related items.

**Article 6.** Collective trademarks and certified trademarks whose registration the Trademark Bureau has approved in accordance with the provisions of Article 3 of the Trademark Law are protected by law.

Registration and control methods for collective trademarks and certified trademarks shall be separately prescribed by the State Administration of Industry and Commerce in conjunction with State Council agencies concerned.

**Article 7.** Both pharmaceuticals for human consumption and tobacco products that the state specifies and that the State Administration for Industry and Commerce publicizes must bear a registered trademark.

Other commodities for which the state requires use of a registered trademark shall be announced by the State Administration for Trade and Industry.

**Article 8.** The State Administration for Trade and Industry and Commerce shall set up a Trademark Review Committee to make final decisions and rulings on matters requiring evaluation and determination posed by the provisions of the Trademark Law and these detailed implementing regulations.

## **Chapter 2. Application for Trademark Registration**

**Article 9.** Application for trademark registration shall be made according to a classification found in the published commodity classification table. For each trademark registration application, one copy of "Trademark Registration Application" shall be forwarded to the Trademark Bureau together with 10 copies of a trademark exemplar (10 copies of the exemplar shall be forwarded for colored trademarks that designate colors), and one copy of a black and white ink drawing.

Trademark exemplars must be clear, easily affixed, and printed on a glossy, durable paper. Alternatively, a photograph may be substituted. They may be no larger than 10 centimeters, and no smaller than five centimeters long and wide.

**Article 10.** Relevant forms such as trademark applications shall be filled in with a pen, a writing brush, or a typewriter. Letters shall be well-formed and clear.

The name and personal seal of the person applying for trademark registration shall be identical with the approved or registered name. The declared commodities

may not go beyond the approved or registered scope of business. Commodity names shall be filled in according to the commodity classification table. For commodity names not listed in the commodity classification table, an explanation of the commodity shall be attached.

**Article 11.** Applications for trademark registration of pharmaceuticals intended for human consumption shall have supporting documents from health administration authorities attached.

Applications for trademark registration of cigarettes, cigars, and packaged tobacco shall have supporting production approval documents from an applicable government agency in charge of tobacco attached.

Applications for trademark registration of other commodities for which the state prescribes the use of registered trademarks shall have supporting approval documents from applicable authorities concerned attached.

**Article 12.** The date that the Trademark Bureau receives the application documents shall be the date of application for trademark registration. An application number shall be assigned and a "Notice of Acceptance" shall be issued for applications for which application procedures are complete and that have been filled in according to regulations. Applications for which application procedures are incomplete or that have not been filled in according to regulations shall be returned and the date of application stricken.

When application procedures are essentially complete and the application documents mostly comply with regulations except some additions and corrections, the Trademark Bureau shall notify the applicant to make the additions or corrections and to return the application indicating such additions or corrections to the Trademark Bureau within 15 days of receipt of the notice. Should the additions and corrections not be made, or should the time limit for making the additions and corrections be exceeded, the application shall be returned and the date of application stricken.

**Article 13.** Should two or more applicants apply for registration of an identical or similar trademark for the same kind of product or a similar product on the same day, each applicant shall forward to the Trademark Bureau, within 30 days, proof of the date on which the trademark was first used as the Trademark Bureau notice instructs. Should a trademark have been used on the same day or never used, the applicants shall consult with each other and reach an agreement. They shall provide written notice of the agreement to the Trademark Bureau within 30 days. Should they fail to reach an agreement within 30 days, the applicants shall draw lots under



auspices of the Trademark Bureau, or the Trademark Bureau shall make a ruling.

**Article 14.** Applicants who commission a trademark proxy organization to apply for and handle trademark registration or to handle other trademark matters shall forward one copy of the representative's letter of authorization. The representative's letter of authorization shall specify the powers of and limitations on the representative. Representatives' letters of authorization from foreigners or foreign firms shall also specify the nationality of the authorizing person.

Foreigners or foreign firms making application for trademark registration or for the handling of other trademark matters shall use the Chinese language. Agent letters of authorization, notarizations of certifications, and authentication procedures are to be handled according to the reciprocity principle. A Chinese translation shall be attached to documents in a foreign language.

**Article 15.** The Trademark Bureau may accept applications requesting priority trademark registration. Specific procedures shall be handled according to State Administration for Industry and Commerce published procedures.

### Chapter 3. Review of Trademark Registration

**Article 16.** Applications that the Trademark Bureau accepts for hearing shall be reviewed in accordance with the "Trademark Law." All trademarks that meet applicable provisions of the "Trademark Law," and are of special significance shall be given preliminary approval and published. When applications are refused, the applicant shall be issued a "Rejection Notice."

Should the Trademark Bureau deem that the trademark registration application be amended, it shall issue "Review Opinion" giving 15 days beginning from the date of receipt to make amendments. Should the amendments not be made within the prescribed period of time, or should the amendments still not meet provisions of the "Trademark Law," a "Rejection Notice" shall be issued to the applicant.

**Article 17.** When applying for Review of a rejected trademark registration request, the applicant shall send one copy of "Application For Review of Rejected Trademark Registration" to the Trademark Review Committee within 15 days following receipt of the rejection notice. He shall also attach the original "Trademark Registration Application," 10 exemplars of the original trademark, one copy of a black and white ink drawing of the trademark, and the "Rejection Notice."

The Trademark Review Committee shall make a final decision and notify the applicant in writing. Trademarks

for which the final decision grants preliminary approval shall be turned over to the Trademark Bureau for disposition.

**Article 18.** In case the trademark that the Trademark Bureau has preliminarily approved and announced is contested, the contestor shall send two copies of "Trademark Dissent" to the Trademark Bureau. The "Trademark Dissent" must specify clearly the issue and page number of the SHANGBIAO GONGGAO (Trademark Gazette) which published the contested trademark, as well as provide the preliminary approval number. The Trademark Bureau shall forward the "Trademark Dissent" to the person against whom the dissent is lodged, set a time limit for reply within 30 days of receipt of notification, and make a ruling on the facts and reasons that the participants have set forth. Should no response be made within the time allowed, the Trademark Bureau shall make a ruling and notify the participants concerned.

The published trademark registrations of the contested trademarks before the ruling on the dissent becomes effective shall be invalid.

**Article 19.** A party who does not accept a Trademark Bureau ruling on a dissent may forward two copies of a "Trademark Dissent Reapplication" to the Trademark Review Committee within 15 days of receipt of notice of a ruling on the trademark dissent.

The Trademark Review Committee shall make a final ruling, notify the party in writing, and turn it over to the Trademark Bureau for disposition.

After a dissent ruling becomes effective for a trademark against which dissent was found untenable, the Trademark Bureau may approve registration.

### Chapter 4. Rulings on Registered Trademark Changes, Conveyances, Extensions and Controversies

**Article 20.** One copy each of the "Application for Trademark Registrant Name Change" and the certification of name change shall be forwarded to the Trademark Bureau for each application. Trademark Bureau shall approve the application, issue a certificate to the registrant and the name change published.

Every application for change of address or other registration items, each application shall be forwarded to the Trademark Bureau accompanied with one copy of either "Application for Change of Trademark Registrant's Address," or "Application for Change of Other Registration Information," as well as a certification of the

change. Following Trademark Bureau approval, a certificate shall be issued the registrant and the address change published.

When the name or the address of a trademark registrant is to be changed, the registrant must handle all registered trademarks at the same time.

**Article 21.** When making application to convey a registered trademark, both the conveyer and receiver must forward one copy of "Application For Conveyance of Registered Trademark" to the Trademark Bureau. The receiver shall handle application procedures for conveyance of a registered trademark. The receiver must comply with provisions of Article 2 of these implementing regulations. Following approval, the Trademark Bureau shall issue appropriate certificates to the receiver and publish the conveyance.

When a registered trademark is conveyed, the trademark registrant must handle at the same time registration of identical or similar trademarks for the same kinds of, or similar, commodities. When trademarks are conveyed for commodities stipulated in Article 7 of these implementing regulations, the receiver shall provide certificates to the authorities concerned according to the provisions of Article 11 of these implementing regulations.

The Trademark Bureau will not approve, and will reject applications for the conveyance of registered trademarks that may cause misunderstanding or confusion, or have other ill effects.

**Article 22.** When applying for continuation of trademark registration, each applicant must forward to the Trademark Bureau one copy of "Application For Continuation of Trademark Registration" and five trademark exemplars, as well as return the original "Trademark Registration Certificate". Following approval, the Trademark Bureau shall return the annotated "Trademark Registration Certificate" and publish the trademark continuation. The trademark Bureau will not approve, and will reject applications that do not meet provisions of the "Trademark Law."

The effective date for continuation of trademark registration shall be figured from the effective date when the previous trademark expires.

**Article 23.** Applicants who do not accept the Trademark Bureau's rejection of registration of conveyance or continuation may send one copy of "Application for Review of Rejected Conveyance" or "Application for Review of Rejected Continuation" to the Trademark Review Committee for Review within 15 days of receipt of the rejection notice.

The Trademark Review Committee shall make final decision and notify the applicant in writing. Trademarks for which the final decision approves registration of conveyance or registration of continuation shall be turned over to the Trademark Bureau for disposition.

**Article 24.** Trademark registrants who dispute a trademark registered to another person shall file with the Trademark Review Committee two copies of "Application for Trademark Dispute Ruling" within one year of the publishing of the other person's registration of the trademark, requesting a ruling. The Trademark Review Committee shall provide written notice to the persons concerned about whether the final ruling sustained or revoked the disputed trademark registration, and turn the matter over to the Trademark Bureau for disposition. If the reason for revocation applies only to a part of the registration, that portion shall be cancelled. When a revocation ruling is made, the original trademark registrant shall return the "Trademark Registration Certificate" to the Trademark Bureau within 15 days of receipt of the ruling notice.

**Article 25.** The following acts shall be deemed deceptive or improper for obtaining registration referred to in Clause 1 of Article 27 of the "Trademark Law."

- (1) distortion or concealment of facts, or falsifying application and related documents during registration;
- (2) violation of the principles of honesty and truthfulness, employing copying, imitation, or translation to register a trademark that is publicly known to belong to another;
- (3) unauthorized registration of trademark by a proxy using the name of the person being represented;
- (4) infringement of another's legal *a priori* right to register;
- (5) effecting registration through other improper means.

Should a trademark registrant refuse to accept the Trademark Bureau's decision to revoke a trademark registration under provisions of Clause 1 of Article 27 of the "Trademark Law", within 15 days of receipt of notification of the decision, the registrant may submit one copy of "Application for Review of Revocation of Improperly Registered Trademark" to the Trademark Review Committee requesting reconsideration.

Any unit or individual that deems a trademark registration improper may file two copies of "Application for Revocation of Improperly Registered Trademark" with the Trademark Review Committee requesting a ruling. The Trademark Review Committee shall provide written notice to the party concerned about its final ruling,

and turn the matter over to the Trademark Bureau for disposition.

The Trademark Bureau shall publish the revoked registrations of the improper trademarks that are properly registered. The registrant of the original trademark shall return the "Trademark Registration Certificate" to the Trademark Bureau within 15 days following notice of the decision or ruling.

Trademark copyrights for registered trademarks that have been revoked under the provisions of clauses 1 and 2 of Article 3 of the "Trademark Law," shall be regarded as not having existed from the beginning. Decisions or rulings cancelling registered trademarks, decisions and rulings in trademark infringement cases before the people's courts revoke them, and decisions in trademark infringement cases that industrial and commercial administration and control agencies have made and carried out, as well as licensing contracts for trademark conveyance or use that have been carried out are not retroactive. However, damage that others sustain as a result of maliciousness on the part of a trademark registrant shall be indemnified.

#### **Chapter 5. Control of Trademark Use**

**Article 26.** The words, "registered trademark," or (registered), or (R) shall be affixed when a registered trademark is used. When a marking cannot be readily affixed to the goods itself, it should be affixed to the packaging or the instructions, or to some other portion attached to the goods.

**Article 27.** Should a "Trademark Registration Certificate" be lost or damaged, application for replacement must be made. The registrant of the trademark shall file one copy of "Application For Trademark Registration Certificate Replacement," and five trademark exemplars with the Trademark Bureau. "Trademark Registration Certificate" losses shall be published in SHANGHAI GONGGAO's lost and found. Damaged "Trademark Registration Certificates" shall be returned to the Trademark Bureau.

Counterfeiting or alteration of "Trademark Registration Certificates" shall be punished by local industry and commerce administration agencies with a fine of up to 20,000 yuan depending on circumstances, and the counterfeited or altered "Trademark Registration Certificate" shall be recovered.

**Article 28.** The industry and commerce administration agencies shall direct trademark registrants to correct within a certain period behavior covered by clauses (1), (2), and (3) of Article 30 of the "Trademark Law." If the registrant refuses to change, the local industry and commerce administration agencies where the trademark

registrant resides shall request the Trademark Bureau to revoke the registered trademark.

**Article 29.** Any person may apply to the Trademark Bureau for revocation of registered trademark for behavior covered by item (4) of Article 30 of the "Trademark Law," and explain the circumstances. The Trademark Bureau shall notify the trademark registrant, and set three months within receipt of the notice as a limit for providing evidence that the trademark was either used or not used with proper reason. Should no evidence be provided within the prescribed period, or should the evidence be found invalid, the Trademark Bureau may revoke the registered trademark.

The meaning of trademark used in the previous paragraph includes use of a trademark on goods, goods packaging or containers, and documents on commodity exchange, or use of the trademark on advertising and publicity, displays, or in other business activities.

**Article 30.** Application for registration of a trademark that is identical with or resembles a trademark that has been revoked pursuant to the provisions of Article 29 of these implementing regulations for the same or similar goods shall not be restricted by the provisions of Article 32 of "the Trademark Code."

**Article 31.** The industry and commerce administration agencies may direct a correction within a specified period of any of the behavior covered by Article 31 and item (3) of Article 34 of "the Trademark Code." In serious cases, it may order self-criticism, issue a circular notice, and levy a fine of up to 20 percent of illegal business earnings or up to double illegally gained profits. Goods that are toxic, harmful, and of no utility shall be destroyed. Persons using a registered trademark shall have their trademark registration revoked according to the provisions of the "Trademark Law."

**Article 32.** The industry and commerce administration agencies may prohibit a registrant who commits any of the acts covered by items (1) and (2) of Article 34 of the "Trademark Law" to halt advertising and publicity, and it may seal up or seize his trademark markings, and order correction within a certain period. If circumstances warrant, it may also issue a circular notice and levy a fine up to 20 percent of illegal business earnings.

**Article 33.** The industry and commerce administration agencies may halt the sale of products and the advertising and publicizing of registrants who violate the provisions of Article 5 of the "Trademark Law," seal up or seize their trademark markings, and may, if circumstances warrant, level a fine of up to 10 percent of illegal business earnings.



**Article 34.** No one may illegally print, buy, or sell trademark markings.

The industry and commerce administration agencies shall halt conduct in violation of the foregoing provision, confiscate the trademark markings, and levy a fine of up to 20 percent of illegal business earnings as circumstances warrant. The Trademark Bureau may also revoke the registered trademark of those who sell their own registered trademark markings; however, infringement of registered trademark copyrights shall be dealt with under the provisions of Article 43 of these implementing regulations.

**Article 35.** Trademark registrants who permit others to use their registered trademarks must sign a trademark use licensing agreement. Within three months of signing the licensing contract, both the licensor and the licensee shall forward a copy of the contract to the prefecture and county industry and commerce administration agency for reference. The licensee shall inform the Trademark Bureau for purposes of the record, and the Trademark Bureau shall gazette the licensing agreement.

The industry and commerce administration agencies in the place of residence of the licensor or licensee shall direct correction of violations of the provisions of the foregoing. Those refusing to change may be fined up to 10,000 yuan, or the Trademark Bureau may be requested to revoke the registered trademark.

The industry and commerce administration authorities in charge in the place of residence of the licensee shall direct correction within a set time of violations of provisions of Clause 2 of Article 26 of the "Trademark Law," recover the trademark labels, and levy a fine of up to 50,000 yuan as circumstances warrant.

**Article 36.** Trademark registrants may permit others to use their registered trademarks, in which case licensees must comply with Article ? of these implementing regulations.

When permitting others to use commodity trademarks as prescribed in Article 7 of these implementing regulations, at the time that a copy of the licensing agreement is tendered for the files, the licensee shall attach certifying documents from the authorities concerned as the provisions of Article 11 of these implementing regulations provides.

**Article 37.** When the Trademark Bureau decides to revoke a registered trademark pursuant to the provisions of Article 20 and Article 21 of "the Trademark Regulations," and articles 28, 29, 31, 34, and 35 of these implementing regulations, it shall provide written notice to the trademark registrant, and to the industry and commerce administration agency in his place of residence.

A trademark registrant who refuses to comply with the Trademark Bureau's decision to revoke a registered trademark may send one copy of "Application for Re-examination of Trademark Cancellation" to the Review Committee within 15 days after receiving notice of the decision.

After rendering a final decision, the Trademark Review Committee shall provide written notice to the trademark registrant and to the Industry and Commerce Administration agency where the registrant lives, and turn the matter over to the Trademark Bureau for disposition.

**Article 38.** Trademark registrants applying for trademark annulment shall send one copy of "Trademark Annulment Application" to the Trademark Bureau, and return the original "Trademark Registration Certificate."

**Article 39.** The Trademark Bureau shall publish trademark that were revoked and annulled. Trademark copyright rights shall be lost from the date the revocation or annulment was published. The industry and commerce administration agency in the place of residence of the original trademark registrant shall recover the "Trademark Registration Certificate" for revoked trademarks, returning it to the Trademark Bureau.

**Article 40.** A party who refuses to comply with the decision of the industry and commerce administration agency pursuant to the provisions of Chapter 6 of the "Trademark Law," and Chapter 5 of these implementing regulations may apply for review of the decision by the next higher level of the industry and commerce administration agency within 15 days following receipt of the decision notice. The next higher level agency of the industry and commerce administration shall reconsider the decision within two months of the date of receipt of the application for review. Persons who refuse to comply with the review decision may file suit in a people's court within 15 days of receipt of notice of the Review decision. Should they fail to apply for review, file suit, or comply within the required period, the industry and commerce administration agency shall request that a people's court enforce the decision.

#### **Chapter 6. Protection by a Registered Copyright**

**Article 41.** Any one of the following actions constitutes infringement of registered trademark copyright under item (4) of Article 30 of the "Trademark Law:"

(1) sale of goods with the full knowledge, or presumptive knowledge, that the registered trademark copyrights of another are being infringed;

(2) using words or graphics that are identical with or similar to the registered trademark of another on a same

or similar product or product packaging, thereby tending to create a misconception;

(3) conduct such as providing convenient conditions for storage, transportation, mailing, or concealment that purposely infringes the trademark copyrights of another.

**Article 42.** Anyone may inform against or make accusations of infringement of registered trademark copyrights to an Industry and Commerce Administration agency at the prefecture and county level or above in the place of residence of the infringer or the place where the infringement was committed. The person whose rights were infringed may bring suit directly in a people's court.

Industry and commerce administrative agencies who believe an infringement of registered trademark copyright has occurred may exercise the following rights when they find evidence in the course of investigation:

- (1) Query the parties concerned;
- (2) Inspect infringed articles and order them sealed, when necessary;
- (3) investigate conduct related to infringement activity;
- (4) examine and reproduce business data such as contacts and account books related to infringement activity.

The parties concerned shall assist and may not refuse industry and commerce administration agencies in exercising their rights listed in the above clauses.

**Article 43.** The industry and commerce administration agencies may take the following actions to halt infringement of registered trademark copyrights:

- (1) direct that sales be halted at once;
- (2) seize and destroy trademark markings that infringe copyrights;
- (3) eradicate copyright infringement markings on existing goods.
- (4) seize matrices, printing plates, and other tools used directly for trademark infringement;
- (5) order and supervise the destruction of materials that infringe copyrights when the foregoing actions fail to halt infringements, or when trademarks infringing rights cannot be readily separated from goods.

**Article 44.** Those who refuse to comply with industry and commerce administration agency decisions made pursuant to clauses 1 and 2 of the above mentioned article may apply for review by the next higher level industry and commerce administration agency within 15 days of receipt of the decision notice. The next higher-level agency shall review the decision within two months

from the date of receipt of the application for reconsideration. Those who refuse to accept the reconsidered decision may file suit in a people's court within 15 days of receipt of the notice of the reconsidered decision. Should the time for applying for review expire, no suit filed, and no compliance made, the industry and commerce administration agency shall request a people's court to enforce the decision.

**Article 45.** Any industry and commerce administration agency or investigation agency may bring charges or inform against the counterfeiting of registered trademarks.

The industry and trade administration agencies shall handle charges or reports according to the provisions of Article 43 of these implementing regulations. Serious charges that constitute an offense shall be criminally investigated according to law by judicial organs.

#### Chapter 7. Supplementary Provisions

**Article 46.** The parties concerned shall handle within the stipulated time applications and reviews according to the provisions of articles 21, 22, and 25 of the "Trademark Law," and of articles 23 and 25 of these implementing regulations. The parties concerned may request a 30 day extension before a time limitation expires due to an uncontrollable circumstance or other appropriate reason, the Trademark Review Committee shall decide whether or not to grant the extension.

**Article 47.** Trademark registration application forms and forms used for other trademark purposes shall be prescribed and published by the State Administration for Industry and Commerce.

Fee standards for trademark registration application or other trademark matters shall be prescribed and published on the basis of applicable government provisions by the State Administration for Industry and Commerce.

The commodity classification table use for trademark registration has been published by the State Administration for Industry and Commerce.

**Article 48.** Service trademarks in use continuously until 1 July 1993, and service trademarks (service trademarks well known to the public excepted) that others have registered for same or similar services that are the identical or nearly so may continue to be used in accordance with applicable regulations by the State Administration for Industry and Commerce.

**Article 49.** These detailed implementing regulations shall be interpreted by the State Administration for Industry and Commerce.

**Article 50.** These detailed regulations shall take effect on the date of publication.

## Agriculture

### 'Bumper' Summer Grain Harvest Expected

HK1107085095 Beijing CHINA DAILY in English  
11 Jul 95 p 4

[Article by Chen Xiao and Wang Hui: "Bumper Wheat Harvest Predicted for Summer"]

[FBIS Transcribed Text] Farmers and officials from the central ministries and local governments are on cloud nine because of an unexpected bumper summer grain harvest.

Drought in spring and unbroken spells of rains in April once made them gloomy over wheat production.

Yields are much higher than expected in some major grain production bases such as Hebei, Shandong and Anhui provinces.

Good news also came from Shaanxi, in spite of drought in the northern part of the province.

"This summer is sure to witness a bumper harvest of wheat," said Xia Jixian, Director of the Department of Purchase and Sale Administration of the State Administration of Grain Reserve.

Nationwide, summer grain is expected to increase about 1.7 billion kilograms over last summer, said the Ministry of Agriculture.

But it is too early to say China will enjoy a year of bumper harvests in 1995.

The government purchase of summer grain accounts for about 30 per cent of its annual total. The production of rice—a major grain for most Chinese—largely will depend on the weather in the next few months.

Unfortunately, the State Flood Control Headquarters said early this month the Yangtze River was experiencing its second biggest floods since 1949 when the People's Republic was founded.

Floods have been making unbridled attacks on Hunan, Jiangxi, Hubei, Guizhou and Anhui provinces which are the country's major rice producers.

"Floods may pose a threat to the harvest of rice and finally to the government's anti-inflation efforts," Xia said. It was rice price hikes that spurred inflation last year.

Economists from the Development and Research Centre of the State Council, the cabinet's think tank, predict the ups and downs of this year's grain output index will be within 4 per cent of last year.

That is to say, there will be no big fluctuation in grain production this year no matter how good or bad the weather may be.

"Since the reduction of grain output last year caused chaos in the market, the government has enhanced its planning (quota system) in purchases this year," said Xia.

Since 1987, the government has stuck to the quota system. Each year, the quota of grain is fixed at about 50 billion kilograms.

Each rural household receives an assignment from the township government which is based on the areas of the family's contracted farmland.

"Generally speaking, the State purchase of grain is going more smoothly than last summer," he said.

"There are almost no IOUs this year, due to reaffirmation from the central government," said Xie Yuanhui, an official with the Agricultural Development Bank of China (ADBC), a policy bank set up in April last year.

"Capital to purchase State grain is basically available," he said. It is ADBC, local finance and enterprises engaging in grain purchase and sale that provide loans for purchases.

In Anhui, for instance, funds from ADBC, provincial finance and enterprises are 3.5 billion yuan (\$421 million), 80 million yuan (\$9.6 million) and 2 billion yuan (\$240 million) respectively.

Since this summer, the policy bank began to take on the role of the Agricultural Bank of China — a commercial bank to purchase grain.

However, the new experiment caused some problems, Xie said.

Since ADBC does not have branches in the county or under the county levels, it is still the Agricultural Bank which manages ADBC's loans to purchase.

The central government ordered ADBC to set up branches only at provincial levels to streamline administration.

"The co-ordination between the two banks is not smooth enough," he said.

Local financial allocation is used to subsidize farmers. The subsidies range from 2 fen to 6 fen per kilogram of grain. Moreover, farmers can buy chemical fertilizers at lower prices than market ones in accordance with the amount of grain they sell to the government.



In spite of subsidies, there are large margins between the government purchase prices and market prices, which discourages farmers to sell grain to the government.

The government-fixed purchase price is nearly 1.1 yuan per kilogram of wheat, as much as it was last year. However, the market price is 1.64 yuan per kilogram.

"The government purchase price is too low," said Gao Bolin an ADBC official. "This has further dampened farmers' enthusiasm," he said.

Fortunately, the central government is considering how to protect farmers' enthusiasm to grow grain, Gao said.

#### **Heilongjiang's Reclamation Areas Reap Good Results**

*SK1107070695 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 10 Jul 95*

[FBIS Translated Text] During the Eighth Five-Year Plan, the total yield of grains and soybeans in Heilongjiang's reclamation areas increased 500 million kg through the implementation of the bumper harvest plan. The plan of bumper harvest was implemented by the state's agriculture and finance ministries aiming to increase the application of science and technology in agricultural production and promoting the development of

the agriculture with high yield, fine quality, and high efficiency.

Our reclamation areas are responsible for nine agricultural, animal husbandry, and fishery projects. They organized scientific and technical personnel at all levels to hold more than 350 special technology interchange and training activities, training 30,000 people. The funds invested reached 2.47 million yuan.

The implementation of the bumper harvest plan in our reclamation areas enhanced the transformation of scientific and technological results into productive forces. During the Eighth Five-Year Plan, agriculture, animal husbandry, and fishery projects covering more than 8 million mu were developed, increasing net benefits of 270 million yuan. They won six bumper harvest awards from the state's agriculture ministry.

When implementing the plan of bumper harvest at the ministerial level, our reclamation areas also developed and implemented the development projects at the general bureau level in more than 18 million mu of land. More than 600 million kg of grains and soybeans was yielded and 490 million yuan of benefits were newly increased.

### East Region

#### Chen Biting Appointed Jiangsu Vice Governor

OW0907035495 Nanjing XINHUA RIBAO in Chinese  
17 Jun 95 p 1

[FBIS Translated Text] Decision of the Jiangsu Provincial People's Congress Standing Committee on the Appointment Nomenclature

(Adopted by the 15th Session of the Eighth Jiangsu Provincial People's Congress Standing Committee on 16 June 1995):

Chen Biting [7115 1081 0080] is hereby appointed vice governor of Jiangsu Province.

#### Jiangxi Sets Up Third Customs Office

OW1007035495 Beijing XINHUA in English  
0324 GMT 10 Jul 95

[FBIS Transcribed Text] Nanchang, July 10 (XINHUA) — Eastern China's Jiangxi Province has set up its third customs office at Ganzhou, a newly thriving city in recent years.

The other two are located in Jiujiang, a port city by the Chang Jiang River, and Nanchang, the provincial capital.

Ganzhou was listed in 1988 as a test zone for the province's reform of economic system. After years of efforts, the city has seen sharp increases in economic strength, making the setting-up of a custom house an urgent need, officials said.

Ganzhou Prefecture boasts sound transportation conditions. The Beijing-Kowloon railway under construction runs through seven counties and cities in the prefecture. And an airport expanding project involving a total investment of 80 million yuan is near completion.

More than 370 overseas-funded enterprises have settled in the prefecture. Ganzhou has now business relations with a dozen countries and regions including the U.S., Singapore, Thailand, Austria, Hong Kong and Taiwan.

### Central-South Region

#### Guangdong Leaders Commend Scientific Researchers

HK1007014495 Guangzhou Guangdong People's  
Radio Network in Mandarin 0400 GMT 29 Jun 95

[FBIS Translated Text] A three-day provincial science and technology conference concluded yesterday with a ceremony attended by provincial party committee Secretary Xie Fei and Governor Zhu Senlin.

At yesterday's closing ceremony, Vice Governor Lu Zhonghe delivered a summing-up speech in which he laid emphasis on the following three aspects:

1. It is imperative to speed up the transformation of scientific and technological achievements; to energetically foster and build a technology market; and to encourage enterprises, scientific research units, and scientific research enterprises to conduct technology trade legally on the market.

2. It is imperative to carry out in-depth scientific and technological structural reform, and to build a strong provincial scientific research center that has prominent Guangdong characteristics and is representative of Guangdong's scientific and technological standards. This should be done by relying on the province's key scientific research institutions, key laboratories, and key scientific research enterprises.

3. It is imperative to vigorously popularize science and technology, enhance a sense of science and technology among the Guangdong people, and improve Guangdong people's scientific and cultural quality.

At yesterday afternoon's ceremony, Xie Fei, Zhu Senlin, Lu Zhonghe, Huang Huahua, and some other leaders of the provincial party committee and people's government commended a number of advanced individuals, as well as representatives of a number of advanced units, and conferred the following prizes on them: Scientific and technological progress prize, natural science prize, outstanding scientific and technological achievements prize, and excellent economic exploitation prize.

### North Region

#### Tianjin Mayor Meets With Taiwan's Sampo Group

SK0807080495 Tianjin TIANJIN RIBAO in Chinese  
21 June 95 p 1

[Article by reporter Wang Yongliang (3769 3057 0081): "Zhang Lichang Meets With Manager General of Taiwan's Sampo Group"]

[FBIS Translated Text] Mayor Zhang Lichang met with Mr. Lin Youze, manager general of the Sampo Group Company of Taiwan and his entourage on 20 June. The host and the guests expressed satisfaction with the achievements in maintaining close cooperation over the past few years and extensively exchanged views on further expanding investment.

Zhang Lichang first extended congratulations to Mr. Lin Youze for being appointed manager general of Sampo Group Company. He said: More and more Taiwan compatriots have come to Tianjin to make investments, and

the number of investors ranked third in the municipality. Sampo group company has cooperated with Tianyang washing machine company to transform the old enterprise and succeeded in bringing a fundamental change in the grade and quality of products in a short span of several years. The supply of products falls short of demand. It is hoped that this company would expand the production scale, march towards the first-grade level of the world, and have a greater share of products on the market.

Zhang Lichang said: Tianjin has successfully held the 43d World Table Tennis Championship which drew the worldwide attention and noticeably enhanced its renown, and has created conditions for further expanding opening up. China's opening up is being rapidly developed from the south to the north. Tianjin will play an increasingly important role in the northern region of China and in the economic zone around Bohai Sea. We are marching towards the target of becoming the commercial, trading, and banking center in the north as well as a big international port city; Tianjin has vast prospects for development. It is hoped that more Taiwanese compatriots will select Tianjin as a place for investment. Tianjin will seek common development along with the Taiwanese investors by offering them still better service.

Mr. Lin Youze thanked the Tianjin Municipal government for giving support to the cooperative projects of both sides. He expressed that, on the basis of the existing work, he would accelerate the pace of expanding investment and create the world's first-grade enterprise in terms of products, scale, and technology.

Responsible persons of the municipal economic commission, the foreign economic and trade commission, and the second light industrial bureau were also present at the meeting.

### Northeast Region

#### Heilongjiang's Tian Speaks at Science Conference

SK1107031995 Harbin HEILONGJIANG RIBAO  
in Chinese 25 Jun 95 p 2

[Speech by Heilongjiang Governor Tian Fengshan at the provincial conference on implementation of the guidelines of the national science and technology conference on 26 June: "Unswervingly Implement the Strategy of Developing the Province With Science, Technology, and Education and Facilitate Sustained, Rapid, and Healthy Economic Development in Heilongjiang"]

[FBIS Translated Text] 1. **Profoundly Understand the Accurately Master the Basic Guidelines of the National Science and Technology Conference**

The national science and technology conference was a very important conference in China's history of scientific and technological development; and the party Central Committee and the State Council attached great importance to it. General Secretary Jiang Zemin, Premier Li Peng, and Vice Premier Zhu Rongji attended and gave important speeches on implementation of the "decision of the CPC Central Committee and the State Council on accelerating scientific and technological progress" and on the strategy of developing the country with science, technology, and education. The important speeches of the several central leading comrades clearly expounded on the great significance in China's realization of the three-step strategic objective of the modernization drive and the basic principles, major tasks, and guaranteeing measures for future scientific and technological work; and made important strategic arrangements for accelerating China's scientific and technological progress. The convocation of the conference has a very important significance in comprehensively practicing Comrade Xiaoping's idea that science and technology are primary productive forces, in creating an upsurge in developing the country with science, technology, and education, in further liberating and developing the productive forces of science and technology, and in actively channeling economic construction to the track of relying on scientific and technological progress and improving the quality of laborers.

The national science and technology conference marked the third milestone in China's scientific and technological undertakings. In 1956, the party Central Committee headed by Comrade Mao Zedong held a conference of intellectuals, which was regarded as the first science and technology conference, and issued a great call for "marching toward science." Inspired by this call, a group of outstanding scientists broke through obstacles and returned to the country to participate in socialist construction. Together with the scientists at home, they made foundation-laying contributions to China's scientific and technological development. This conference erected the first milestone in China's history of scientific and technological development. In 1978, after the smashing of the "gang of four," China's industrial production began to embark on the track of normal development thanks to two years of restoration and adjustment. China's second-generation leaders with Comrade Deng Xiaoping as the core attached great importance to scientific and technological development and held a timely national science conference, which had far-reaching historic significance. At this conference, Comrade Deng Xiaoping came up with such noted theses as "science and technology are primary productive forces," "intellectuals constitute a part of the working class," and "the key to the four modernizations is the modernization



of science and technology." In 1985, the party Central Committee issued a decision on the reform of scientific and technological system. China effected a historic change in scientific and technological work, its scientific and technological strength and level were upgraded notably, the strategic focus was shifted to economic construction, and scientific and technological work entered a new period of development. This marked the second milestone in China's scientific and technological history.

The third milestone in China's history of scientific and technological development was the recent science and technology conference held by the party Central Committee and the State Council. It marked an appeal and a mobilization order to scale new heights in science and technology issued by the party Central Committee's third-generation leadership collective with Comrade Jiang Zemin as the core to the entire party and the people throughout the country. It indicated that China's modernization drive and scientific and technological undertakings would witness a new and greater leap. It can be expected that comprehensive implementation of the "decision" and the guidelines of this conference will bring about a new liberation of the productive forces of science and technology, ensure the smooth realization of the three-step strategic objective of China's modernization drive, and open up a new avenue for China to march toward the 21st century and for the Chinese nation to enter the glorious era of great development.

The strategy of developing the country with science, technology, and education has a significant meaning in both the theory and practice of China's economic construction and social development. The most basic and most important theoretical basis of the strategy of developing the country with science, technology, and education is Comrade Deng Xiaoping's idea that "science and technology are primary productive forces." As Marx once said, "productive forces include science." Comrade Deng Xiaoping inherited and developed the thesis of Marx, and clearly summarized it as "science and technology are primary productive forces." He pointed out: "Science is indispensable for China to achieve development," and to achieving modernization, "science and technology are the key." The great strategy of developing the country with science, technology, and education put forward by the party Central Committee and the State Council is meant to make Comrade Deng Xiaoping's idea a complete and programmatic system with the guidance of his theory of building socialism with Chinese characteristics. It is a great development and contribution to the theory on scientific socialism. Implementation of the strategy of developing

the country with science, technology, and education represents the deepening and development of the shift of the party's work focus to economic construction. Science can generate real productive forces only when it is implanted in the economy; and economic construction can be brought to the track of sustained, rapid, and healthy development only when it relies on science and technology. The great role of science and technology as primary productive forces can be truly developed only when science, technology, and education are used to develop the country; and a country can truly find a powerful and sustained major motivation only when it relies on science and technology to develop.

Judging from the important significance in the practice of the strategy of developing the country with science, technology, and education, history has left us only one choice, namely reliance on scientific and technological progress is the inexhaustible source of a country's pursuit of prosperity and strength. Plenty of facts at home and abroad show that reliance solely on natural resources brings about only temporary prosperity and never sustained strength and prosperity. In China, in particular, where the per capita share of resources is much lower than the average level of the world, pursuit of high-speed development through the consumption of resources and even at the expense of the ecological environment will result in serious harm to our long-term development instead of narrowing our gap from developed countries. We always followed the path of expanding production by launching new projects in the past. If we continue to support rapid economic development through large amounts of financial and material input in the future, it will be difficult for our national strength to sustain this. Only when scientific and technological progress is greatly promoted, only when the quality and technological level of the entire national economy are upgraded, and only when economic construction is truly channeled to the track of relying on scientific and technological progress and improving the quality of laborers can China become strong and prosperous and ensure healthy development and sustained prosperity. As long as we implement the strategy of developing the country with science, technology, and education in a resolute and down-to-earth manner, China will attain the second-step strategic objective of the modernization drive and lay a solid foundation for attaining the third-step strategic objective in the next century.

Developing the country with science, technology, and education is an arduous and urgent strategic task China is encountering. Judging from current scientific, technological, and economic development, the industrial composition of developed countries has been escalated again to a still higher level, with high-tech industries occupy-

ing a predominant position and scientific and technological progress accounting for over 60 percent of the contributions to economic growth. The automation of the intelligence of manufacturing industries, commercialization of bio-technology, and the wide application of information and computer technology have become the major developing trend in modern production and social life. Many countries in the world have again created an upsurge in building the "information superhighway" over the past two years. The integrated, digital, and intelligent network of information technology will gradually equip and replace some of the existing production, telecommunications, and office equipment and household electronic equipment and will effect a profound change in the production and life style of human beings. Mental labor will replace manual labor and will gradually become the mainstay of labor, indicating the upcoming appearance of the new society of high science and technology. History and reality have shown that those who have occupied the high points in controlling the development of science and technology are in an invincible position of intensive economic competition. Currently, economic development in Heilongjiang is in an important historical period. The contradictions and difficulties we encountered are many. Prominent problems include the slow speed and low quality of economic growth. Although the speed of economic development in the province has been accelerated since 1994, the production and business of natural resources and of primitive and extensive styles are very common; quite a number of enterprises are encountering difficulties in their production and business. Many indexes reflecting the quality of economic growth are lower than those achieved by southeast coastal localities, and are lower than the national average. It may be said that gaps between the economy in the province and in the country not only exist in development speed and aggregates, but also chiefly exist in benefits and quality. If we fail to adopt effective measures to bring about changes to these phenomena, gaps between the economy in the province and in the country will not be shortened but will continuously grow. Most direct and effective methods in bringing about changes to these phenomena are to make scientific and technological progress. We should apply science and technology to overcoming crucial problems that need to be urgently dealt with in the course of developing the national economy, and should regard scientific and technological progress as the main force in accelerating economic and social development. We should implement in an overall manner and deeply understand the spirit of the national conference on science and technology. This means that by being based on the province's conditions, and by facing both domestic and foreign severe challenges, we should implement in

an overall manner the ideology of Comrade Xiaoping with regard to "science and technology being the first productive force"; should place science, technology, and education on the priority position of economic and social development; should uphold the principle of having economic construction rely on science and technology and having science and technology gear themselves to economic construction; and should whip up enthusiasm in the province as a whole for relying on science and technology to make the province prosperous. This represents an arduous and pressing strategic task undertaken by all of us.

## **2. Unswervingly Enforce the Strategy of Having Science and Technology Make the Province Prosperous and Achieve a Sustained, Rapid, and Healthy Development in the Province's Economy**

We should note that Heilongjiang has been earlier than other provinces in putting forward the strategy of having science and technology make the province prosperous. The provincial party committee and provincial people's government adopted the "Decision on Enforcing the Strategic Principle of Having Science and Technology Make the Province Prosperous" in 1988, and formulated the "Plan for Enforcing This Strategic Principle" in 1989. Since 1990, the province has begun its work in this regard, and in 1993 changed the strategic principle of having science and technology make the province prosperous into that of having science and education make the province prosperous. Over the past five years, various localities and departments have done a great deal of work in emphatically integrating science and technology with the economy and in accelerating the pace of turning scientific and technological results into productive forces. They have also achieved certain achievements in this regard. The sense of science and technology has been further enhanced. Various localities and departments, leading personnel at all levels, and the vast number of people have deepened their understanding on strongly promoting science and technology in economic development. The ideology of "science and technology being the first productive force" has taken root in the hearts of the people. Reform in scientific and technological systems has achieved new results; the integration between science, technology, and the economy has gradually become close; and the pace of turning scientific and technological results into productive forces has been accelerated. Achievements made in having science and technology make agriculture prosperous have been obvious, and a large number of new scientific and technological results with higher levels have been created or popularized. All these have promoted the province to stably increase its grain production, and have provided a motive force for devel-

oping agriculture with high yields, benefits, and fine quality. The project of having science and technology make industries prosperous has achieved stable development. The province achieved a large number of scientific and technological results, reaching the domestic advanced level as well as the international level. In particular, a large number of new technologies and materials popularized or applied along with industrial production and building practices have forcefully accelerated technical renovations and readjustments in the industrial structure in the province's old industrial base. A large group of scientific and technological personnel devoted themselves to the main battlefield of economic construction; nongovernmental scientific and technological enterprises emerged as time required; and new and high-tech industry achieved results. Harbin and Daqing, two state-level new and high-tech industrial development zones, have become the bases for Heilongjiang's industrialization of new and high-technology. All these laid a good foundation for our province to carry out in depth the spirit of the national science and technology conference and to implement the strategy of developing the country with science, technology, and education. However, we should clearly perceive that in the process of implementing the strategy of developing the country with science, technology, and education, some radical contradictions restricting the integration of science and technology with the economy were not effectively resolved, and there were still many problems during practice: People were still not very clear about the idea that science and technology were the primary productive force. The thinking of expanding production by launching new projects so as to maintain economic growth made people rely on continuous investment and preferential policies. Few efforts were made to take the road of developing through scientific and technological improvement and of expanding production through upgrading technology and improving management. In some localities, departments, and enterprises, the momentum to pay attention to the endeavor of developing the country with science, technology, and education was not enough; strength was scattered, and the situation of the entire society paying attention to the primary productive force was not formed. The integration of science and technology with the economy was not firm. The situation in which economic departments and scientific and technological departments are two independent and separate entities lasted for a long time and hasn't been radically broken. The circulation of their results happened in their own isolated systems; the transformation rate of scientific and technological results, and the contribution rate of scientific and technological improvement, was fairly low. This resulted in a grate waste of resources, expenditure, and manpower as well as hindered the lib-

eration and development of the primary productive force of science and technology. Many enterprises lacked the internal momentum and pressure to depend on scientific and technological improvement. They also lacked the economic strength to upgrade science and technology. They have not yet become the mainstay to develop science and technology. The scientific and technological layout was divorced from the layout of infrastructural construction, technological transformation, and introduction of technology. Scientific and technological policies did not coordinate with economic policies. The all-society diversified system on scientific and technological input was not yet formed. The situation in which scientific and technological input was too low and efficiency was poor has not changed. These problems seriously restricted the implementation of the strategy of developing the country with science, technology, and education. We should resolve these problems in a down-to-earth manner in future work.

Taking into account the reality of our province, we should pay particular attention to the following tasks:

A. We should take further steps to implement the strategy of developing the country with science, technology, and education; we should accelerate the pace of transformation from a large agricultural province to a powerful agriculture province. The provincial party committee and provincial government urged people throughout the entire province to achieve success in the first exploration, second exploration, and in-depth exploration of agricultural resources; to comprehensively develop the rural economy; and to transform Heilongjiang from a large agriculture province to a powerful agriculture province. This is a strategic layout to enrich the people and strengthen the province, and is a trans-century systems engineering project. To achieve this grand goal, we should depend on science and technology and bring into full play the function of science and technology. We should pay particular attention to the endeavor of tackling the most difficult problems in the key technology and increase the popularization and application of the advanced agricultural technology on a large scale. Up to the end of this century, we should make the coverage rate of the advanced technology reach 95 percent and the contribution rate of scientific and technological improvement reach 50 percent.

B. We should depend on scientific and technological improvement to accelerate the transformation of the old industrial base and strategically readjust the industrial structure. Taking into account the situation of enterprises in our province in which equipment and products are old, in which old backbone industries are in recession while new backbone industries have not been formed yet, and especially in which we lack the rising



industries that can conform themselves to the development of the times, and facing increasingly intense market competition at home and abroad, we have decided that our province should focus our efforts on implementing the strategic adjustment of the industrial structure in the few years hereafter. The overall plan for the adjustment is as follows: First, strengthen the existing advantages, use high and new technology to transform traditional industries, expedite the technical renovation of backbone enterprises and upgrade and update superior leading products, and build 10 production bases up to the advanced levels of the world. To be specific, they are the bases for the production of entire sets of power station equipment, large and heavy machinery equipment, radial tires, measuring tools for industrial use, small and medium bearings, machine-made paper, building materials, flax textiles, forest products, and special steel and aluminum-type materials. Second, create new advantages and cultivate five pillar industries that have close connection with other industries and that can greatly promote the economy, achieve a large share in the marketplace, and create good economic efficiency. To be specific, they are the car and auto parts manufacturing industry, focusing on Harbin Aircraft Manufacturing Plant's production of 250,000 mini-cars, Dong-gan Plant's production of 350,000 engines, and Mudan-jiang's production of 600,000 auto air conditioners; the petrochemical industry, focusing on Daqing's 480,000-tonne ethylene project and its auxiliary projects; the food and animal feed industry, with grain, sugar, milk, and animal by-products as the raw material; the electronic industry, focusing on the production of computers and its peripheral equipment, numerical-control and digital-display equipment, sensitive components, IC card serial products, mobile telecommunication equipment, and large-screen and multipurpose color television sets; and the medical industry to produce highly competitive products such as antibiotic medicines, bio-engineering medicine, Vitamin C, and Chinese traditional powder medicine for injections. According to initial calculations, when fulfilled, the adjustment plan will increase Heilongjiang's annual output value by over 100 billion yuan, profits and taxes by over 30 billion yuan, and foreign exchange earning by nearly \$2 billion; it will greatly promote the entire industrial sector of the economy. We should have a profound understanding that this strategic adjustment of the industrial composition not only includes the adjustment of product mix and production setup, but also includes the adjustment of the levels of the technological structure and the combination of the application of high technology to traditional industries with the industrialization of high and new technologies. Specifically, it means to make technology, equipment, production measures, and product

quality of "dragon head" enterprises obtain the international advanced levels of the late 1980's and early 1990's, focusing on the technical renovation of the major enterprises of the "10 production bases" and "five pillar industries;" at the same time, it means to carry out the technical renovation of supporting enterprises based on the needs of the "dragon head" enterprises to comprehensively facilitate the technological advance of enterprises.

C. We should greatly develop high and new-tech industries to promote the optimization and escalation of the production setup. Focusing on the strategic adjustment of Heilongjiang's industries, we should prioritize the support for and development of a number of projects to industrialize high and new technology and organize implementation of the plan to industrialize scientific and technological achievements. By the year 2000, the output value of Heilongjiang's high and new-tech products should account for 10 percent of its total industrial output value, and the output value of major industries should account for over 10 percent of its industrial output value. Through the establishment of development "zones, parks, and corners," we should expedite the development of high and new-tech industries, and in particular, the development of the Harbin and Daqing state-level high and new-tech industrial development zones, and should use them to promote the industrialization of Heilongjiang's high and new technology. Special support should be provided to cultivate a number of high and new-tech enterprise groups whose output value exceeds 100 million yuan each. We may consider allowing these high and new-tech enterprise groups to enjoy the same preferential policies granted to Chinese-foreign joint ventures. A mechanism for developing high and new-tech products should be established at large and medium enterprises under which scientific research, development, production, and marketing of products form a coordinated process; experiments with the establishment of high and new-tech development corners should be conducted at those where conditions permit. We should add impetus to the implementation of the "Torch Plan" and attach importance to the pilot work of disseminating high and new-tech achievements as stipulated in the "863" plan.

D. We should go all out to develop scientific and technological enterprises operated by the people and should adopt new mechanisms to cultivate new economic growth points. Because scientific and technological enterprises operated by the people constitute one of the new economic growth points of the province, we should regard the effort to vigorously develop these enterprises as an important move to continuously implement the principle and strategy on invigorating the

province through science and education. We should further loose the control over scientific research institutes and scientific and technological personnel; create a relaxed environment for developing scientific and technological enterprises operated by the people; and protect according to law the legitimate rights and interests of such enterprises. Financial departments and scientific and technological administrative departments at all levels should actually support such enterprises to initiate projects. The province, various prefectures (cities), and various counties (cities-shi and districts) that have good conditions should establish and make good use of the working funds earmarked for scientific and technological enterprises operated by the people as well as the funds for guaranteeing risk-taking investment. We should gradually establish and perfect the system on socialized backing and service to scientific and technological enterprises operated by the people. State-owned scientific research institutes, institutions of higher learning, and enterprises should be encouraged to initiate people-operated scientific and technological enterprises on the basis of clarifying property rights.

E. We should further deepen the reform of the scientific and technological structure and should establish a new type of scientific and technological structure that is suitable for a socialist market economy. By continuously following the principle of stabilizing basic studies and decontrolling scientific research institutes, we should positively and appropriately promote the structural readjustment of scientific research organs and the diversion of their professionals; successfully carry out experiments for the comprehensive reform of scientific research institutes; and encourage the development of shareholding scientific and technological enterprises and scientific and technological guiding enterprises or enterprise groups. All development-oriented scientific research institutes should gradually operate themselves in the manner of enterprises and strive for existence and development in line with market demands. We should actively cultivate and develop technology markets to accelerate the transformation of scientific and technological research results. We should emphatically build a number of permanent technology markets, train a number of technological brokers, build an information network, and enliven technological transactions. To increase the momentum for scientific and technological development, we should continue to accelerate the building of intermediate experimentation bases and key laboratories, establish a number of key scientific research institutes, and build several provincial and state-level engineering centers and engineering research centers. At the same time, we should continue to open up wide to the outside world, conduct international scientific and technological cooperation and exchanges, and

actively import advanced technology and intelligence from abroad. We should also strengthen the drawing up and enforcement of scientific and technological laws to protect intellectual property rights.

F. We should pay attention to training scientific and technological professionals and build up trans-centennial ranks of scientific and technological personnel. The strategy on professional talents is a major component part of the strategy on invigorating the province through science and education. Hence, we should continuously attend to training the scarce professionals and help localities and units where scientific and technological personnel are insufficient, non-state-owned economic departments in particular, to train professionals of various kinds. By effectively utilizing the natural sciences fund, the planned fund for youth who returned home after studying abroad, and the scientific funds for outstanding youth, we should support a number of young and middle-aged backbone youth to become trans-centennial academic and technological leaders as quickly as possible. We should strengthen the training with popular science and the propaganda of science and technology among youth and juveniles, rural cadres and masses, and party and government leading cadres in order to give rise to a good atmosphere of respecting knowledge and professionals as well as studying, cherishing, and using science.

G. We should strengthen the backing system for the strategy on invigorating the province through science and education, and should increase investment in science and technology through diverse channels and diverse levels. Governments at all levels should ensure and continuously increase the investment in scientific, technological, and educational undertakings of the entire society; should establish a multi-channel and multi-level system on social scientific and technological investment that covers financial appropriations, banking loans, enterprise accumulations, and pooled funds; and should apply economic levers and policies to guide and encourage enterprises to increase investment in science and technology with a view to making enterprises gradually become the main investors in science and technology. We should fix the quotas on the quantity of the increased scientific and technological investment and adopt measures to guarantee an increase in scientific and technological investment in order to actually ensure that by 2000 the province's research and development appropriations will account for 1.5 percent of the province's gross domestic product as demanded by the state. The increase margin of scientific and technological investment made by all levels of financial departments in the province should be larger than the increase margin of financial revenues of the same period. We should es-



establish and gradually increase the special fund used for developing science and technology and for turning scientific and technological results into productive forces and should utilize the fund in a snowballing way. We should also vigorously broaden the channels of raising funds for science and technology and increase loans for them. Banking departments should enforce special policies on science and technology, optimize the orientation of investments made in science and technology, and successfully deal with the problems of possessing funds without projects and of possessing projects without funds. They should also upgrade the rate of loan releases and increase the proportion of medium-and-long-term loans in line with the characteristics of developing high and new technologies. Localities meeting conditions may establish foundation for investments made in scientific and technological risks, should actively bring in foreign capital, and should reinforce the dynamics in supporting the projects of turning scientific and technological results into productive forces and of developing high-and-new tech industries. While earnestly enforcing the state preferential policies on promoting scientific and technological progress, they should also formulate some new policies in line with the province's real situation.

### **3. Enhance Leadership, Expedite the Work of Having Science and Education Make the Province Prosper Into a New Developing Period**

We should earnestly implement the request of having the first leading personnel grasp the first productive force. At the national conference on science and technology, General Secretary Jiang Zemin clearly pointed out: The central authorities have urged the first leading personnel of party and government organs to take personal charge of grasping the first productive force. This represents the higher request set by the party and the state for the first leading personnel of party and government organs at all levels under the new situation in reform, opening up, and socialist modernizations. Letting the first leading personnel grasp the first productive force means to require the first leading personnel of party and government organs at all levels, who are assuming the important tasks of organizing and commanding the construction of socialist modernizations, to firmly foster the viewpoint of "science and technology being the first productive force" and to apply this viewpoint to studying and resolving problems; to analyzing problems; to keeping the overall situation in minds; and to making work arrangements; so that science and technology can infiltrate, radiate, and affect in all directions every field of economic and social lives as well as can promote or bring along the development of society as a whole. Letting the first leading personnel grasp the first productive force means to require the first leading personnel to suc-

cessfully and systematically formulate at the high level the unified plan with integration between the economy and science, technology and to make unified arrangements. It also means to require them to handle the acts conducted by scattered and multiple departments and to have these acts become a systematic project so as to ensure that science and education are always placed in an important position of economic and social development; that the input in science, technology, and education can be increased through multiple channels; and that the strategy of having science and education make the country prosperous can be truly implemented in a down-to-earth manner in the course of formulating and enforcing plans for economic and social development and relevant policies. In letting the first leading personnel grasp the first productive force, leading cadres at all levels are urgently required to upgrade their levels of scientific theories and knowledge. It may be said that mastering the capability of applying contemporary advanced science and technology to controlling the modern economy represents the necessary quality possessed by leading cadres in the future. Therefore, leading cadres should frequently and modestly learn from scientists and specialists because it is impossible for them to totally know well all knowledge of contemporary science and technology. They should extensively solicit opinions and suggestions from specialists for making important policy decisions and earnestly carry out scientific appraisal. They should also regard the process of making policy decisions in a scientific and democratic way as an important content of enforcing democratic centralism.

We should foster the major climate in the province as a whole with regard to grasping the strategy of having science and education make the province prosperous. We must note that the vigorous enhancement of scientific and technological work, the expedition of scientific and technological progress, and the enforcement of strategy of having science and education make the country prosperous, which were put forward by the CPC Central Committee and the State Council, do not represent the matter only undertaken by one or two departments and by scientific and technological workers; but represent the common task taken by the entire party, the entire country, and all people. It is wrong for us to regard the expedition of scientific and technological progress and the enforcement of strategy of having science and education make the country prosperous as the things done by a certain department. Following the conference, various localities and departments should earnestly study the issue of how to encourage party committees and governments to enhance their leadership over the scientific and technological work. From the angle of strategy and the whole situation, they should organize and bring into line the work of making scientific and tech-



nological progress in their own locality or department. Various localities, departments, industries, and trades should coordinate with one another; make concerted efforts; form joint forces; and foster the major climate of having science and education make the province prosperous. They should formulate or perfect the specific policies and methods for their own locality or department with regard to accelerating scientific and technological progress as well as the methods of appraising scientific and technological progress and the index system of it.

In 1995, the last year of enforcing the "Eighth Five-Year Plan," various localities and departments, while formulating the "Ninth Five-Year Plan" and the long-term plan by 2010, should pay attention to closely integrating the expedition of scientific and technological progress with the realization of building Heilongjiang with the large-scale farming into a strong province due to its agricultural progress according to the work ideas and the future targets of economic and social development, which have been defined by the provincial party committee and the provincial people's government. They should also pay attention to closely integrating the expedition of scientific and technological progress with accelerating the readjustment and upgrading in the province's structure of industries and products and with having the province's economy achieve sustained, rapid, and healthy development; to closely integrating the expedition of scientific and technological progress with conducting reform and renovations among large and medium-sized enterprises and with establishing modern enterprise systems; and to closely integrating the expedition of scientific and technological progress with actively opening the second battlefield of economic development.

We should rapidly whip up an enthusiastic upsurge of studying, publicizing, and implementing the "Decision Made by the CPC Central Committee and the State Council With Regard to Accelerating the Scientific and Technological Progress." Party committees and governments at all levels should grasp the study and implementation of the "Decision" and of the spirit of the national conference on science and technology by regarding the study and implementation as a big event. First, they should have their leading bodies earnestly relay and study the "Decision" and the spirit of the national conference. Bearing in their mind the reality of their own locality or department, leading bodies under these party committees and governments should discuss and make arrangements on the issue of how to implement the spirit of the national conference on science and technology. Through various mass media, party committees and governments should reinforce the dynamics in

publicizing the scientific and technological work so as to enable the thinking of Comrade Deng Xiaoping with regard to science and technology being the first productive force to strike root in the hearts of the people; to be known by every household; and to form a fine atmosphere for expediting scientific and technological progress in the society as a whole. They should also do a good job in grasping the study of the "Decision" and of the important speeches given by the central leading comrades and in placing a focal point on successfully holding study and training classes for leading cadres at all levels. Party schools at all levels should hold special training classes for leading cadres on the strategy of having science and education make the country prosperous. They should also add as much as possible as they can the content of expediting scientific and technological progress to the courses of training classes in other styles.

Comrades: The successful convocation of the national conference on science and technology has indicated the arrival of a new round of upsurge in technical revolution, which will exert inestimable and profound influence on economic and social development in the country and on the people's livelihood. We must utterly treasure and firmly seize the historic opportunity, mobilize and arouse the people across the province to implement in an overall way Comrade Deng Xiaoping's ideology of science and technology being the first productive force and to plunge into the great cause of having science and education make the province prosperous, accelerate the economic construction and social development in the province, and must strive for successfully fulfilling the targets of achieving economic quadrupling and heading for being better-off by the end of this century and for occupying an invincible position in the future economic competition.

#### **Heilongjiang Issues Measures for Land Management**

SK1107040095 Harbin HEILONGJIANG RIBAO  
in Chinese 27 Jun 95 p 1

[Article by Zhao Fengjiang (6392 7685 3068) and reporter Huang Kehuan (7806 0344 2719): "Heilongjiang Issues New Measures for Strengthening Land Management"]

[FBIS Translated Text] The provincial land management bureau recently issued six measures for strengthening land management in order to rapidly check misuse and unauthorized use of cultivated land.

According to an introduction, a new order in management of land according to law and rational use of land has by and large taken shape, and great achievements

have been scored since 1987 when the state's land management law began enforcement thanks to the hard work of party committees, governments, and land management departments at all levels. However, misuse and unauthorized use of cultivated land, and law violations in land use and approval to land use have reemerged recently to have a very adverse impact and serious losses. Based on the instruction of the provincial party committee and government, the provincial land bureau decided to strengthen management in six areas.

—Intensify publicity and education and establish a system whereby leaders are responsible for the assigned cultivated land protection targets during their tenure of office. Education designed to disseminate the knowledge on land laws and the particular national land day publicity activities should be conducted simultaneously. Beginning this year, approved quotas of the cultivated land to be protected, quotas of the cultivated land to be used for other purposes, implementation of land development and reclamation plans, and enforcement of land management laws and regulations should be listed as the responsibilities for governments at all levels to be fulfilled during their tenure and as the major criteria for appraising the performance of governments and leading bodies.

—Establish the basic farmland protection zones to strictly control the use of cultivated land for other purposes. The formulation and implementation of the overall land use plan should be stepped up. This year and next year, Heilongjiang should establish the basic farmland protection system at the provincial, prefectural, county, and township levels and complete the designation and protection of 100 million mu of basic farmland and over 1 million mu of vegetable fields. For the future construction projects, good land and cultivated land should not be used when inferior land or wasteland can be used, and less land should be used whenever possible. Except for the key construction projects approved by the state, no units or individuals are permitted to build any projects within the basic farmland and vegetable field protection zones.

—Strengthen the screening, approval, and management of the land for construction purpose and strictly follow the procedures for screening and approval. Land for construction purpose, for real estate development, and for building development zones (including small industrial zones), distributed either through administrative means or through the sales of land use rights, should all be screened and approved according to relevant state laws and regulations. Land for such uses should be approved by the government after collective decisions are made, and should be managed by the land management department. It is prohibited to overstep one's power in giving

the approval, to use land before approval is obtained, to use land and apply for approval simultaneously, and to divide large areas of land into small plots and apply for approval to the use of the small plots of land. It is prohibited all the more to resort to fraud to use land without approval and grant unprincipled approval to land use in order to give others a favor or establish personal ties.

—Do a good job in relocating and compensating the peasants whose land is requisitioned. When collective land needs to be requisitioned for construction purpose, peasants should be relocated and compensated conscientiously. No approval should be given for the requisition of land before this job is finished. No units or individuals are permitted to withhold or misuse the funds for the compensation or relocation purpose.

—Expedite the construction of land markets. All localities should put urban and rural land and land affairs under unified management. Land management departments should hold the responsibility as owners of land assets and make sure that there is no infringement on and loss of state-owned land assets. Land markets should be built in an open, impartial, and fair manner. The scope of land sales should be expanded, spontaneous land trade markets should be conscientiously straightened out, and the management of the transfer, lease, and mortgage of the rights to the use of the land to be distributed should be strengthened.

—Provincewide large-scale inspection of the land for nonagricultural use should be conducted. Regarding the land whose use was approved by unauthorized departments or by several units in a duplicated manner, land which was divided into small plots to which approval was given, and land whose use was approved by unauthorized lower units, it should be examined once again and approval to its use should be obtained. Cadres at all levels, especially leading cadres, who led or supported law breaches in land use should be strictly dealt with and never tolerated. Land profiteering and illegal land trade to seek huge profits should be thoroughly investigated, and the illicit income should be confiscated. Excessive development zones and excessive acreage for the zones should be merged and reduced. Fees should be charged according to law from the land laid idle for over a year; and land use rights should be revoked according to law for the land laid idle for over two years. People who seriously violated law to give approval to land use or to occupy land and leave it unused should have their legal responsibility affixed and be sternly punished if correction proved ineffective.

**Northwest Region****Xinjiang Bans Illegal Private Radio Stations***OW0807013595 Urumqi XINJIANG RIBAO**in Chinese 22 Jun 95 p 1*

[Unattributed report: "The Radio Control Committee and Public Security Department of the Autonomous Region Has Issued a Joint Circular To Launch an Inspection Drive To Ban Illegal Private Radio Stations"]

[FBIS Translated Text] To strengthen radio control and safeguard social security and stability in our region, the Radio Control Committee and Public Security Department of the autonomous region recently issued a joint circular to resolutely ban all kinds of illegal private radio stations. They also decided to launch an inspection drive in the region.

The circular points out: Our region has witnessed a rapid growth in various radio stations in recent years, which has played an active role in promoting economic development and improving people's living standards in the region. But there is also a serious problem with the establishment of illegal private radio stations. Some illegal elements have disturbed the work of legal radio stations and endangered social security and stability by using radio stations to carry out illegal and criminal activities.

The circular says: Any radio transmission equipment (excluding military transmission systems) which were set up without the approval of the radio control committees of the autonomous region, prefectures, and cities fall into the category of private radio stations. If any

units or individuals that have already set up private radio stations take action through their administrative channels within one month to retroactively apply to the relevant radio control committee for permission to set up a radio station, they will be treated leniently. If they fail to apply within the set time, they will be treated severely.

The circular says: Units and individuals should take action to help the inspection, which will be conducted by a joint inspection team formed by relevant departments of the autonomous region. They should not refuse or hamper the implementation of official business with any excuses. In addition, the broad masses of the people are welcome to report people, matters related to the setting-up of private radio stations, or the illegal use of radio frequencies.

**Drug Smugglers Sentenced To Death in Xinjiang***OW0907150595 Beijing XINHUA in English  
1418 GMT 9 Jul 95*

[FBIS Transcribed Text] Urumqi, July 9 (XINHUA) — Some drug smugglers were sentenced to death on June 30 in Urumqi, capital of northwest China's Xinjiang Uygur Autonomous Region, according to local court sources.

Some 15 kilograms of heroin and more than 100 kilograms of marijuana were also burned in public on July 26, the sources said.

More than 3,000 kilograms of drugs were burned earlier in other parts of the region.



**Foreign Ministry Wants 'Reciprocal' Ties With U.S.**

OW1107022595 Taipei CNA in English  
0132 GMT 11 Jul 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, July 10 (CNA) — The Republic of China [ROC] Government has consistently held that ties between the ROC and the United States should proceed on a reciprocal basis rather than be intertwined with the Washington-Beijing relationship, the Ministry of Foreign Affairs said Monday.

Ministry spokesman Rock Leng made the statement at a regular press conference in response to remarks made by Newt Gingrich, speaker of the U.S. House of Representatives, on the CBS news show "Face The Nation" on Sunday.

The Republican from Georgia, angered by the arrest of American human-rights activist Harry Wu by Mainland Chinese authorities, said the United States should establish diplomatic ties with Taiwan "regardless of what happens" to its relations with Mainland China. Wu, a Chinese-born American citizen, was arrested in the central Mainland Chinese city of Wuhan on espionage charges.

Washington should "move to recognize Taiwan as a free country" and "tell the Chinese they have to live with the reality that the people of Taiwan are a free people," Gingrich noted.

Stressing that ROC-U.S. ties and U.S.-mainland ties are separate, Leng said the ROC Government is opposed to Washington's "playing the Taiwan card" in its diplomatic row with Beijing. "We don't want Taipei-Washington ties to affect the U.S. relationship with Beijing," he pointed out.

Leng called on the United States and other nations not to be influenced by Beijing in developing ties with the ROC, adding that they should also develop ties with Mainland China on the basis of mutual interests, disregarding Taiwan.

**Association Increases Relief Aid to Mainland**

OW1007113495 Taipei CNA in English  
0846 GMT 10 Jul 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, July 10 (CNA) — The Chinese Refugees Relief Association (CRRRA) Monday donated NT [new Taiwan] \$5 million (US\$192,300) to the Mainland Chinese Red Cross Society to assist flood victims in central and southern China.

The NT\$5 million cash donation, the second of its kind in two weeks, was handed over to the semi-official Straits Exchange Foundation (SEF), which will then transfer the money to the Chinese Mainland.

CRRRA and the ROC Red Cross Society donated US\$100,000 each on June 26 to assist victims of flooding in areas along the Yangzi [Chang Jiang] River, which has been stricken with heavy rains since mid-June.

Meanwhile, SEF on Monday wrote a letter to its mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS), expressing Taiwan residents' concern and compassion for Mainland Chinese.

The SEF letter, the first since cross-Taiwan Strait ties soured in the wake of president Li Teng-hui's U.S. visit in early June, emphasized Taiwan's humanitarianism, Deputy Secretary General Shih Chi-ping said.

**Saudi Arabia 'Positive' About Taiwan Venture**

OW1007114595 Taipei CNA in English  
0959 GMT 10 Jul 95

[By P.G. Kuo and Lilian Wu]

[FBIS Transcribed Text] Riyadh, July 9 (CNA) — Saudi Arabia Minister of Industry and Electricity 'Abd-al-'Aziz al-Zamil is positive about a Taiwan-Saudi Arabia joint venture and expressed hope for similar cooperation in the future.

Al-Zamil, who recently visited the Al Jubail Fertilizer Company, praised the successful operations at the plant.

Al Jubail Fertilizer Co., a joint venture between Taiwan's state-owned Taiwan Fertilizer Co. and the Saudi Arabia Basic Industry Company (SABIC), opened in 1980 to produce the chemical urea. The joint venture has seen substantial profits every year since its establishment.

Al-Zamil, after listening to a briefing about the company, said that the joint venture has proved to be successful and he expressed the hope that future cooperation can be based on such a model.

Sources said that Saudi Arabia is planning eight investment projects and is hoping for another chance to cooperate with Taiwan to increase further bilateral trade exchanges.

**Party Kicks Off Second Stage of Primaries**

OW1007113695 Taipei CNA in English  
1004 GMT 10 Jul 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, July 10 (CNA) — The opposition Democratic Progressive Party [DPP] kicked off its second round of presidential primaries in the southeastern county of Taitung Monday.

Both candidates, Hsu Hsin-liang, a former DPP chairman, and Peng Ming-ming, a former national Taiwan University political science professor who has devoted his life to Taiwan's democratic development, began to lobby voters Sunday. Peng and Hsu defeated two other hopefuls in the first round of primaries earlier this year.

The second stage of primaries will feature a series of 50 policy debates islandwide over the next two months.

In the debates, Hsu and Peng will present their views on how they would govern the nation if elected and then answer questions from the public. Questions are expected to touch on Taiwan independence issues and the ROC bid for membership in the United Nations.

Republic of China [ROC] citizens born before Feb. 28, 1976 will be eligible to vote in the primary, regardless of party affiliation.

DPP officials said that they will hold their 50th and final policy debate presentation September 25, and announce their nominee for president on September 28.

The DPP winner is expected to face strong challenge from the ruling Kuomintang and the Chinese New Party in the ROC's first popular presidential election in March. The KMT and the New Party have not yet chosen candidates.

### Hong Kong

#### U.S. Seen as Wanting To Take Britain's Place

HK1107083095 Hong Kong CHING PAO in Chinese  
5 Jul 95 pp 10-12

[Article by Yu Lun (0060 0243): "United States Wants To Fill Place Vacated by Britain"]

[FBIS Translated Excerpt] FORTUNE magazine described Hong Kong as the best of the world's 10 best commercial cities, having marks that outstripped the international metropolises of London and New York. In less than six months, however, FORTUNE's view of Hong Kong suddenly changed from "heaven" to "hell." Why did it make such a 180 degree turn? The question provides much food for thought.

According to analyses by some media, this article by FORTUNE can be linked with the drastic switch to the right of the U.S. domestic political trend since the beginning of this year. U.S. conservative politics are on the rise, characterized by taking U.S.-style "democracy" as the only standard and imposing it on other countries. The United States recently has adopted dual tactics in its policy toward China, and has continued to play its "human rights," "Tibet," and "Taiwan" cards. In particular, the U.S. Government allowed Li Teng-hui to pay a so-called "private visit" to the United States, brazenly supporting the activities of splitting China, which has seriously damaged Sino-U.S. relations. As 1997 is drawing nearer, it is necessary to keep a watch on the "Hong Kong" card played by the U.S. Government and its meddling in Hong Kong affairs.

#### Plot To Meddle in Hong Kong Affairs Planned Long Ago

The United States has long had a premeditated plan for meddling in Hong Kong affairs. As early as in 1992, some Congressmen meticulously concocted a so-called "U.S.-Hong Kong Policy Act," which was adopted by Congress and signed by the President. The act went so far as to authorize the U.S. President to "supervise" the implementation of the Sino-British Joint Declaration, judge whether autonomy is fully enjoyed in Hong Kong after 1997, and urge the government to submit regular reports to Congress on Hong Kong's livelihood and human rights situation, in an attempt to place Hong Kong, which belongs to China, within the scope of U.S. laws. It is particularly noteworthy that since the beginning of this year, the United States has taken a high profile and a tough position in brazenly meddling in Hong Kong affairs.

In March this year, the State Department presented to Congress a "Report on the U.S.-Hong Kong Policy Act," which made irresponsible remarks on the question of

Hong Kong under the excuse of safeguarding U.S. economic interests in Hong Kong. The Cold War mentality and U.S. exclusive domination are the two basic ideological mainstays in the drafting of U.S. foreign policy. Therefore, the U.S. National Security Council, the State and Defense Departments, the Senate Foreign Relations Committee, and the House Foreign Affairs Committee drew a ridiculous conclusion from their "Report on the Readjustment of East Asian Strategy": "U.S. security will be menaced (by China) in 10 years." Based on this mentality, the United States laid down its typical dual policy: "On the one hand, making vigorous contacts" to develop markets in China and to influence China's future trend, while on the other, making arrangements around China to "contain China from various sides" and to interfere in China's internal affairs. While playing the "human rights," "Tibet," and "Taiwan" cards in recent years, the United States has continuously showed its "Hong Kong" card, brazenly meddled in Hong Kong affairs, and reached out its hand to post-1997 Hong Kong, in an attempt to fill in the space left by Britain's withdrawal, use Hong Kong to contain the mainland, and hinder China's development. This is probably a chessman moved by the United States in its chess board strategy.

#### Message Released by FORTUNE

The June issue of FORTUNE carried a cover story entitled "The Death of Hong Kong." The article started from the very beginning: "The plain fact is that Hong Kong's future can be summed up in two words: It's over." The article came to the following conclusion: "Unless Beijing changes its course, the days will be numbered for the old colony that has served as an international commercial center." The article stated that Hong Kong, as a vigorous international commercial and financial center, now is undoubtedly moving toward death because Hong Kong, which applies the rule of law, will be ruled by those related to corruption and nepotism. From this point of view, the article also made accusations against Hong Kong.

This article is not worth refuting. It is strange, however, that the cover story carried in the November 1994 issue of the same magazine wantonly meddled in China's internal affairs.

At a press conference for foreign reporters held on 2 May, Mueller, the U.S. consul general in Hong Kong, delivered a lengthy speech entitled "U.S. Long-Term Interests in Hong Kong." Superficially, he talked about the economy, but the intention went far beyond the economy. He switched from economic issues to Hong Kong's livelihood, legal system, and human rights after 1997, saying that "the continuation of this promised high



degree of autonomy is a key factor in the future of Hong Kong's international position, and in the future of U.S.-Hong Kong relations specifically."

In his 19 May speech in Congress concerning the Hong Kong question, Thomas, chairman of the Senate Foreign Relations Committee's Subcommittee on East Asian and Pacific Affairs, pointed out that there are two major reasons for the United States to show concern for Hong Kong's future: First, the United States has huge investments in Hong Kong, which totaled \$10.5 billion in 1994, and Hong Kong's future economic and political stability will have a direct impact on U.S. interests. Second, China's handling of Hong Kong's transition will affect other countries.

U.S. Assistant Secretary of State Lord came to Hong Kong in mid-May and had a two-hour conversation with Hong Kong Governor Patten. However, the contents of the conversation were not disclosed. At the U.S. Senate committee hearing on 7 June [date as published], Lord made indiscreet remarks, saying that members of the last Legislative Council held under elections arranged by the British Hong Kong authorities must continue in their offices after 1997, and that Hong Kong's court of final appeal must be set up before 1997. He also dwelled on the legal system after 1997.

The Chinese Government has reiterated on numerous occasions that the question of Hong Kong before 1 July 1997 is one left over from history, which can be resolved only through consultations between the Chinese and British Governments in light of the Sino-British Joint Declaration, and no other party has the right to meddle in the affair. After China recovers its sovereignty over Hong Kong on 1 July 1997, the question of Hong Kong will be an entirely internal affair of China, and no foreign interference will be tolerated. For this reason, any U.S. meddling in Hong Kong affairs based on its own domestic laws, either before or after 1997, constitutes a violation of international practice. Some Americans keep on saying that they are concerned about Hong Kong for the sake of protecting U.S. economic interests in Hong Kong. This reason is not tenable.

#### **Absurd Excuse for Meddling in Hong Kong Affairs**

Mr. Mueller said that the United States has tens of thousands of citizens, thousands of companies, and billions of dollars of investment in Hong Kong, as well as billions of dollars of products exported to Hong Kong. All this shows that the continuous maintenance and development of economic and trade ties between Hong Kong and the United States will be advantageous to the common interests of both sides. Nevertheless, it cannot become an excuse for meddling in the affairs of Hong Kong and China. This is the same for other

countries. No matter how many residents and companies a country has in the United States, and no matter how much investment it has made, it cannot wantonly interfere in the internal affairs of the United States. [passage omitted on details of Hong Kong's economic success]

#### **Intention To Fill the Vacancy Left by Britain**

As 1997 approaches, the United States has shown increasingly great interest in Hong Kong. According to analyses by foreign observers, the United States wants to fill the place vacated by Britain's withdrawal. According to a well-informed source, the United States has made arrangements to setting up an information organization within the consulate in Hong Kong and to establish an FBI [preceding term published in Latin alphabet] representative office. It is said that FBI has agents of Chinese origin working in Hong Kong who have infiltrated Hong Kong Government departments, as well as Hong Kong media and some social groups. In addition, beginning from this year, U.S. media also have come to Hong Kong one after another to set up offices. To date, the influential major U.S. press agencies such as THE NEW YORK TIMES, THE WASHINGTON POST, USA TODAY, CNN, ABC, and NBC have set up branches or regional relay stations in Hong Kong, and have openly stated that they "want to play a greater role." The United States, which long ago cast greedy eyes on Hong Kong, wants to meddle in Hong Kong affairs in various fields and aspects, and to turn Hong Kong into its 51st state. This is wishful thinking cherished by the United States, but it will never succeed.

In his speech to foreign reporters, Mr. Mueller said: "The ties between Hong Kong and the United States are not only those of money, or of successful business. They are human ties, ties of culture, ties of education, ties of blood. The United States always has been a player in the pageant of Hong Kong's history." What role has the United States played on the historical stage of Hong Kong? It can only play the role of an investor. The interests of this role lie in the Basic Law of Hong Kong and in Hong Kong's prosperity and stability, and not elsewhere. Is the United States content with this role? We will have to wait and see.

**Concern Expressed Over Numerous Law Amendments**

*HK1007083295 Hong Kong TA KUNG PAO in Chinese 8 Jul 95 p A1*

["Special dispatch": "Chinese Side Expresses Concern at JLG Meeting Over Voluminous Revision of Existing Hong Kong Laws"]

[FBIS Translated Text] London, 7 Jul (TA KUNG PAO) — Following the end of the 33d meeting of the Sino-British Joint Liaison Group [JLG] this afternoon, China and Britain held a press briefing. The chief representatives of both sides stressed that in the spirit of cooperation, the two sides had discussed issues in depth at the meeting, and they hoped that the JLG's work could be speeded up.

Chinese chief representative Zhao Jihua described the meeting as serious and pragmatic, while British team leader Hugh Davies stressed that the JLG is conducting in-depth study of some thorny issues.

The transfer of sovereignty was a major topic for discussion at the meeting. Chinese chief representative Zhao Jihua disclosed that the two sides had discussed four aspects of the topic, including the budget, the handover of files, the handover of Hong Kong Government assets, and the ceremony for the transfer of sovereignty. The last two aspects were discussed for the first time at this JLG meeting.

Zhao Jihua said that as a consensus has been reached on some legal issues at the meeting, both sides hope for the early legislation of an accord on the Court of Final Appeal. At the meeting, the Chinese side continued to express concern over the voluminous revision of existing Hong Kong laws. Zhao expressed regret that no progress was made on the question raised by the Chinese side at the meeting.

The meeting also discussed the issue of Container Terminal 9 [CT9], though no concrete progress was achieved. Zhao emphasized that China always advocates fair competition, and its stance on this issue remains unchanged. British team leader Hugh Davies said that the British side had reiterated at the meeting the importance of resolving this issue, while China had expressed new interest on this question. The British side expects this issue to be sorted out in a few weeks.

On the question of the right of abode, both China and Britain agree that this issue is closely related to Hong Kong people, and should be resolved through discussion as soon as possible.

In addition, a source said here today that the British Jardine Group contacted the Chinese side, indicating

that it is willing to reduce its stake in CT9. To this, the Chinese and British chief representatives said that they were not aware of it. Zhao Jihua noted that China has never been opposed to Jardine's financing the CT9 project, and still less has it been opposed to any company interested in the CT9 franchise.

In another development, newly appointed British Foreign Office minister Jeremy Hanley met Chinese and British chief representatives at the JLG, Zhao Jihua and Hugh Davies, this morning and listened to their briefings on the situation in Hong Kong.

Hanley said that Zhao Jihua is the first Chinese official he has met with since assuming his new post. He described it as an encouraging beginning.

Hanley also looks forward to visiting Hong Kong.

**Shipowner's Move Likely 'Pre-1997 Jitters'**

*HK1107092795 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 11 Jul 95 p 1*

[By Ian Lewis]

[FBIS Transcribed Text] World-Wide Shipping Agency, the territory's largest shipowner, has announced a corporate shakeup with the transfer of part of its senior management to Singapore.

World-Wide chairman Helmut Sohmen described the move yesterday as an attempt to improve efficiency and operational economy.

Shipping analysts are likely to see it as a symbol of pre-1997 jitters in the Hong Kong shipping community.

Among senior executives leaving for Singapore is Stephen Pan, previously senior vice-chairman of World-Wide Hong Kong and right-hand man to Mr Sohmen.

He has been joined by directors Lawrence Lai and F S Cheng, who have relinquished their positions with World-Wide Hong Kong.

World-Wide, established by the late shipping magnate Sir Y K Pao, started moving part of its tanker operations to Singapore a few years ago.

It justified this move in terms of the need to be near its clients, since the bulk of the Southeast Asian oil industry resides in Singapore.

The trend among Hong Kong shipowners has been to take advantage of the mobility of ships as assets and many have moved much of their operations to Vancouver and Singapore.

This is not Mr Sohmen's account of the latest move — he said it was necessary to strengthen the company's affiliate network.

"The functional rearrangements, new appointments and personnel movements just announced will strengthen our affiliate network and allow us to further improve efficiency and operational economy," he said.

Other moves suggest that much of the accounting and finance functions will remain in Hong Kong.

The former managing director of World-Wide Singapore, Joseph Hah, has been shifted to Tokyo to become president of Heiwa Shipping.

Present Heiwa president Timothy Liu will be taking a new position as director of World-Wide Hong Kong.



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